Abstract

This research explores how a new public sector modernization agenda, Best Value, is implemented in Victorian local government authorities. It aims to generate a substantive theory grounded in conceptual understanding of how organizational development practitioners interpret and make Best Value operational. The Alchemic Life-Cycle accounts for the process of transitioning from a prior management regime based on market competition principles. Starting with no explicit hypotheses, data from in-depth interviews, supplemented by observation, is analysed using the Glaserian coding paradigm. The results demonstrate how new projects of rule impact on day-to-day management of service delivery, identifying how participants resolve their main concern(s) as they struggle to make Best Value objectives operational, while producing service reviews in a milieu of continuous improvement.

We found the flexible framing of the legislation contributed to a context of uncertainty, generating widely variable practitioner responses. The Alchemic Life-Cycle, with four stages: Filtering, Smoothing, Praxis and Grooming, was formulated as a Grounded Theory, and cyclic cause-consequence model of the implementation process. The core category Practicing Alchemy was identified as a useful heuristic for explaining how practitioners resolve the inherent tensions of reconciling performance management with the duties requirements of the legislation. With each stage characterized by a predominant (but not exclusive) alchemic practice, the Alchemic-Cycle explains resolution of successive concerns, emerging at each stage, to inform the evolution of new shared understandings of Best Value within, and between, local authorities. With completion of the mandated reviews five years after the inception of Best Value, new uncertainties emerge about the future leading to a renaissance of the Alchemic-Cycle.

Relying significantly on the experiential ‘learning’ of practitioners, the introduction of new projects of rule like Best Value is likened to the challenge of early alchemists to produce gold from base metals. Their struggles had the unintended consequence of underwriting modern Pharmaceutical practice. Similarly, changes to centrally decreed programs concerning service delivery should be understood as malleable in the hands of those responsible for achieving the Best Value objectives. Our findings indicate the value of treating service delivery as a dynamic phenomenon, and of treating the predilections of policy makers to depend on zero sum measures of quality assurance cautiously. The academic agenda for evaluating public sector reform may need to be more broadly conceived to accommodate inductive research approaches to meaningfully explicate conditions, causes, strategies, and behavioural reactions of organizational practitioners to new projects of rule. In addition, The Alchemic Life-Cycle provides insight on divergences both in practice, and conceptually, from some foundational neo-liberal assumptions of New Public Management, demonstrating that service quality cannot be fully understood when divorced from the impact of historical, contextual and political legacies on which it is predicated.
Dedication

This thesis is dedicated to my parents Ronald Keith and Cynthia Doreen Bryant, with much appreciation for an upbringing that engendered curiosity about everything and a great love of reading as core values in our family life. Their encouragement in all forms of learning and scholarship - along with patient mentoring and the provision of unconditional support - has been a constant source of inspiration for my sister Pam and I.
Acknowledgements

Many people deserve thanks for assisting me with this research.

In the first instance, Professor Robert Jones, my supervisor, gave wonderfully steady guidance throughout the project. Having opened my eyes to the pleasures of Grounded Theory, as well as to the spectacular theoretical and methodological debates in which it is enmeshed, Robert’s enthusiasm made the journey fun, lively and challenging. His encouragement with learning, and applying, the method was supplemented by valued suggestions concerning new literature to investigate. I am very grateful for Robert’s mentoring with publishing, and presenting, aspects of this research, also a new journey for me. His support in participating in an international field of scholarship on public sector research, and the excitement of presenting a full paper in the ‘hallowed halls’ of Oxford University, in the U.K, will be long remembered!

Further thanks go to the many participants who generously gave valuable time to share their understandings and experiences about implementing Best Value, particularly those practitioners who were interviewed at length. These thanks extend to the time given by CEOs, councillors and other members of Victoria’s local governance hierarchy. Hopefully, their contributions are validated by research that faithfully represents their role, in mediating the Best Value legislation.

Finally, my thanks go to many colleagues - too numerous to name, but they will know - for their support and interest throughout the research! My colleague and friend Anne Seitz, deserves special mention for ongoing support always expressed in thought and deed. Professor Kay Lipson is appreciated for standing by my application for the research grant, and Associate Professor Stephen Weal, for enabling me to take it up. I greatly appreciate the Swinburne Post-graduate Award, without which the journey would have been far less manageable. To six colleagues who carefully read a chapter each in the final edit, thankyou for your kindness - I hope to return the favour! Thanks to my father, Ron Bryant, who also shared this task. Rene Hostettler is to be thanked for his diligent efforts in ‘designing’ my bad drawings, and Sean O’Sullivan for helping to assemble the thesis.
DECLARATION

I, Janet Clare Bryant, declare that this thesis, submitted in the fulfilment of the requirements for the award of Doctor of Philosophy from the Faculty of Business and Enterprise, Swinburne University of Technology, Melbourne, is completely my own work except where otherwise referenced or acknowledged.

This work has not been submitted for qualifications at any other academic institution.

Janet Clare Bryant
August 30th, 2008.
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‘Practicing Alchemy’:
A Grounded Theory of the Implementation of Best Value in Victorian Local Government

A thesis submitted in fulfilment of the requirements for the award of the degree

DOCTOR OF PHILOSOPHY

from

SWINBURNE UNIVERSITY OF TECHNOLOGY
(Faculty of Business and Enterprise)

by

JANET CLARE BRYANT,
(B.A. Honours, La Trobe University; Dip.Ed., University of Melbourne;
M.A., Monash University)

2007
Abstract

This research explores how a new public sector modernization agenda, Best Value, is implemented in Victorian local government authorities. It aims to generate a substantive theory grounded in conceptual understanding of how organizational development practitioners interpret and make Best Value operational. The Alchemic Life-Cycle accounts for the process of transitioning from a prior management regime based on market competition principles. Starting with no explicit hypotheses, data from in-depth interviews, supplemented by observation, is analysed using the Glaserian coding paradigm. The results demonstrate how new projects of rule impact on day-to-day management of service delivery, identifying how participants resolve their main concern(s) as they struggle to make Best Value objectives operational, while producing service reviews in a milieu of continuous improvement.

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Janet Clare Bryant
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CHAPTER ONE: Background and Context of the Study

Given that there is little doubt that regulation of the public sector has increased in the last two decades, (see Hood, James and Scott, 2000; Game, 2002; Broadbent and Moore, 2002), the aim of this study is to investigate how organizational development practitioners (ODPs) respond to implementing Best Value, and mediating a newly introduced project of rule directed to modernizing local government in Victoria, Australia. This chapter provides a general background to the research by drawing on the extant literature on public sector change. Firstly, emergence of, and changes to, New Public Management in the last decade of the twentieth century are discussed to identify how key theoretical developments and nuances in the intellectual currents informing the New Public Management provide the context for this research. Secondly, we discuss how these nuances are reflected in changes to the Victorian local government sector both prior to - and during - the take up of Best Value in late 1999. The chapter is also directed to situating this project with respect to the emergence of New Public Management in the international domain. In the last section of the chapter, the structure of the dissertation is outlined and a brief overview of each chapter is presented.

Despite claims of increased regulation, the literature on Best Value offers few insights on the direct impact of changes associated with the New Public Management era on local authorities. In the current research, a grounded theory approach (Glaser, 1998, 2001, 2005) is used to redress this gap in the as yet nascent literature on Best Value. In addition to establishing the background for the study, the purpose, aim and significance of the current research are discussed in Chapter One. By situating the current research in the context of recent research on local government in Australia, and in Britain, a rationale is established for developing substantive theories, such as the Grounded Theory of The Alchemic Life-Cycle presented in this thesis, to provide grounded empirical insight on the implementation of Best Value in Victorian local authorities.

Purpose and Aim of the Research

This study is exploratory, providing empirical evidence on the adoption of a new project of rule by organizational development practitioners (ODPs) within the context of a performance management framework. The recent introduction and early period of
implementation of Best Value in Victorian local government authorities is examined with the primary purpose of elucidating in detail how a selection of individuals, deemed responsible for implementing Best Value in their local authority, interpret, mediate and make the Best Value legislation operational. The research aims to document the nature and complexity of accomplishing this task at the coal face.

Given that the adoption of Best Value represents a significant shift of thinking about the nature of governance, as well as changes in the authority invested in local government bodies, the study focuses on how Best Value practitioners respond to the new regulatory framework. By examining patterns of behaviour and typical processes underlying the take-up of Best Value at the local level, the research is directed towards building a substantive theory to provide a conceptual understanding of the main concern(s) of ODPs as they implement the new legislation, and to explaining how that concern is resolved.

As the aim of the research is to develop theory, the research methodology adhered to is Orthodox Grounded Theory, as espoused initially by Glaser and Strauss (1967). The distinctions of the Glaserian approach, and a justification for adopting the orthodox (Glaserian) form, are presented in more detail in Chapter Two. Some basic ethnographic description of events associated with the legislative changes and introduction of Best Value is included throughout the thesis primarily to provide conceptual clarity for the emergent concepts and categories that substantiate the theory. This detail is in no way intended to extend to the level of ‘rich description’ normally associated with ethnographic representation (see Geertz, 1983).

**Emergence of the New Public Management**

The term New Public Management (NPM) was initially used by political scientists, in the field of public administration, as a conceptual device directed to facilitating ‘scholarly discussion of contemporary changes in the organization and management of executive government’ (Barzelay, 2001; 2002 see Chapter 2, in McLaughlin, Osborne and Ferlie, p:15). The term was conceived as a means of formulating a perspective on organizational design of the public sector, with the intent of summarizing ideas and practices. These included a focus on results and performance, devolution of
responsibilities within a performance management framework, and an increased requirement for evaluation and accountability.

In this manner, NPM was a conceptual device to represent a shift away from more traditional representations of government as a constellation of professionally driven monolithic bureaucracies. It reflected a reorientation towards a model of government as a pattern of small, politically tightly controlled ‘core’ departments; policy focused, and directing mission-centred organisations both inside and outside the public service (see Laffin and Painter, 1995).

Originating in the work of Hood (1991), New Public Management (NPM) was further reformulated by Hood and Jackson (1991), when it assumed a duality of being both an administrative argument describing a set of doctrines; and a pragmatic approach based on sigma-type administrative values. Thus it came to be accepted as an administrative philosophy represented by ‘an agenda-setting climate of opinion’ (see Barzelay, 2002:30). This duality is reflected in the New Public Management literature which Barzelay categorizes either as representing ‘Research’ characterised by the intention of explaining facts and events - namely by means of empirically oriented political science; or as ‘Argumentation’ based in discussion of the theory of practical policy and doctrinal argumentation, in other words as an accepted administrative philosophy. Accordingly, the literature on NPM has burgeoned in the past twenty years, and is now as ‘amorphous, as might be expected of an interdisciplinary, policy related field’ (Barzelay, 2001:4). Thus, identifying the extent to which the modernization agendas with which this research is concerned are reflections of praxis is extremely complex. However, despite this the impact of changing intellectual currents of the NPM are evident in the Victorian case, and are documented in the following section.

How the Intellectual Currents of the New Public Management are reflected in the recent Modernisation agenda for Victorian Local Government

During the 1990s, a range of commentators from Hood (1991) to Hughes (1998) specified the emergence of a distinctive approach to public sector management in a range of OECD countries. Typified by both the private sector management techniques, and the precepts of public choice theory commonly associated with the New Public Management (NPM), this gave credence to what became understood as the
‘convergence thesis’. However, others such as Aulich, Halligan and Nutley were more circumspect suggesting such an approach was misleading in implying that NPM has led to ‘the same public sector reforms in all of the developed nations; [as arguing that…] many different pathways have been followed’ (2001:15). Furthermore they aver it was wrong to create the impression that the NPM in any way represented a coherent theory about the organisation and management of public institutions, suggesting that it is more a set of loosely connected ideas.

Barzelay (1992) argues that, since the 1960s, assumptions underlying the traditional public administration state have been challenged to the extent that many refer to the current model of government as ‘post-bureaucratic’. Aulich (1997) argues that the emergence of theories of bureaucratic failure associated with the rise of the New Public Management can be situated within the framework of a more general set of influential economic theories. These include public choice theory, agency theory, transaction-cost economics and managerialism. In the following section, these theories are briefly introduced, along with a consideration of how nuances in the discourse of New Public Management were articulated in the pragmatic domain of modernisation of the Victorian local government sector.

**Public Choice Theory**

The discourse of public choice theory was primarily expressed in the ‘size-of government debate’. This was underpinned by a significant shift away from traditional models of public sector management towards doctrines that, as far as possible, societies should look to markets as opposed to state provision for meeting basic societal needs. This entailed identification of a range of imperatives drawn from management models used more typically in the private sector, and contributed to new constructions of public management as goal fulfilment, rather than as careful oversight of administrative procedures (see Lane, 1993). The new discourse included a corresponding call for focusing on ends not means, as well as for the establishment of disaggregated, semi-autonomous public sector units and agencies where managers had freedom to manage.

In the case of the Victorian local government sector, this discourse was taken up with unparalleled zeal during the mid 1990s by the Kennet Government. Despite apathy
to earlier attempts at amalgamation, within twelve months of coming to power the Kennett government set about its reforms (Alford and O’Neill, 1994). Firstly, a Local Government Board was appointed in late 1993 to review the structure of local government and advise the minister on the efficiency and effectiveness of the system (see Kis, 1997: 51). As a result of their recommendations, a radical program of amalgamations was implemented. With little opportunity for public input, this rapidly reduced the number of local authorities from 210 to 78, by the start of 1995.

Secondly, in keeping with the discourses of public choice, and the New Public Management, The Himler Report and the National Competition Policy were used to increase pressure on the public sector by eliminating barriers to competition. The objective was to remove public sector advantages and provide a rationale for subjecting many activities in local government to market testing. Aulich argues that one of the key reform objectives, stemming from the intellectual currents associated with the New Public Management, in the case of Australian local government, has ‘been to enhance the competitive mechanisms used by local authorities to deliver their services’ (1997:189). He suggests that while competitive approaches to service delivery are not new in the local government sector, the recent reforms reflected a strengthening of such approaches. In the local government units studied in this research, participants characterized this requirement for increased competition speaking of it in pragmatic terms as the introduction of a ‘purchaser-provider split’.

In the Victorian case, this was reflected by inclusion in the brief for the Local Government Board for Local authorities to examine as Kis puts it ‘not whether CCT should be implemented, but how’ (1997:51). The newly amalgamated Victorian local authorities were restructured to have CEOs, and draconian target setting measures were introduced to achieve market testing in Victorian local authorities - for 20, 30 and 50 per cent in consecutive years, for all operating procedures, by the middle of 1997.

A central tenet of public choice theory is that human behaviour is dominated by self-interest. This, it is argued, can easily tend, in the context of more traditional forms of public administration (see Buchanan, 1984; Tullock, 1970) to result in state growth well beyond what is necessary. It is assumed such growth is more likely still if a state department both advises on, and implements policy when a vested interest in their own
survival may be obviated. For this reason, it is assumed advisory, regulatory and delivery functions should be separated and undertaken by different agencies (see Boston, 1991). The primary supposition of this approach is that the role of the state should be minimised; and that by placing limitations on the discretionary power of bureaucrats and politicians, greater transparency and the curbing of public monopolies will be ensured enabling maximisation of freedom from state coercion.

This increase in the value attached to transparency and accountability, for example, was particularly evident both in the introduction of competition principles informing the CCT regimen in Victoria by the Kennett government, as well as in initiatives such as the reporting requirements, made mandatory, with the introduction of Best Value. Along with the need to make management documents such as annual reports available for public scrutiny, local authorities were required to provide public feedback and demonstrate continuous improvement for the community.

**Agency Theory**

Agency theory is concerned with the hierarchical relationships between principals and agents in political and social life, and according to Aulich has influenced the corporatisation and privatization programs taken up in a number of states in Australia, particularly Victoria, as reflected in short term employment contracts for senior public servants, and the introduction of new performance agreements and program monitoring arrangements (1997:192).

**Transaction-cost Economics**

Transaction-cost economics ‘focuses on the propensity of firms and bureaucracies to insulate themselves from market risk and uncertainty by vertically integrating activities performed in the market’ (Aulich, 1997:192). In the Victorian case this, along with the ramifications of the Himler Reforms, influenced the adoption of a rigorous market testing regimen as implemented by local authorities, in response to the Kennett government’s adoption of Compulsory Competitive Tendering over a three year period from 1995 to 1997.
Managerialism

Finally, without question the reforms occurring in Australian local government during the 1990s have been influenced by changes occurring in other liberal democracies including the United Kingdom, Canada and New Zealand. Managerialism is a doctrine that assumes ‘generic management is an instrumental activity which can be applied to both private and public sector organisations’ (Aulich, 1997:193). In terms of local government reforms in Australia, during the last decade, this has entailed a shift to quantifiable output measures, introduction of performance management frameworks with a corresponding devolution of management control, an emphasis on cost cutting and efficiency; and competition in public service provision (see for example Boston, 1991).

The Consequences of NPM Style Reforms in Victoria

Kis (1997) argues that the administrative reforms which took place in Victoria, have substantially re-arranged the internal organization of local government as well as significantly altering its relationship with the state government. Although some of the changes are reflected in nationwide developments, she suggests changes in Victoria, particularly with CCT, have been ‘more profoundly directive than any other (state)’ (1997:54). She also avers that ‘What is distinctive about many of these reforms… is that the structures of accountability in these improved systems reach back not to councillors and the community but to the state government which, as the president of the Municipal Association of Victoria (MAV) has observed, has become increasingly dictatorial and prescriptive’ (see also Bates, 1997).

The Transition to Best Value

As was the case in the United Kingdom, Best Value in Victoria represented a reform agenda directed to modernization of local government (McAdam and Walker, 2004; Martin and Hartley, 2000; Boyne, 2000; Martin, 2002). Best Value did not emerge *tabula rasa* as a new project of rule in the Australian case. The (Kennett) Liberal government, during the 1990s, had already significantly inscribed the slate with a New Public Management agenda via a range of neo-liberal reforms in which Compulsory
Competitive Tendering (CCT) was a key pillar along with other highly prescriptive and coercive measures, were implemented in Victoria, in addition to council amalgamations, including capped rates and the mandated levels of compulsory competitive tendering (Mercer and Jotkowitz, 2000:177-179). When the Bracks’ Labor government was elected in 1999, CCT was almost immediately replaced with Best Value.

In contrast to the specifications of CCT, the newly introduced Best Value requirements were very broad. Basically, local authorities had to develop quality as well as cost standards, while demonstrating continuous improvement in all services. In addition, they should consult with, report to, and be responsive to specific needs in their communities. This change reflected a shift in understandings about the nature of governance. The Victorian Best Value program reflected a duties provenance closely mirroring similar covenants in the Best Value agenda set in place a few years earlier in Britain.

**Best Value in Britain**

Best Value, as initially conceived in the United Kingdom, represented an alternative path to the Thatcher government’s policy instrument of Compulsory Competitive Tendering (CCT). This program had impacted significantly on public sector management, and local government, in Britain during the prior eighteen years of Conservative government. The Blair modernization program, and Best Value (1997), signalled a broader shift in the political landscape of Britain to a new centre-left political consensus often described as the ‘Third Way’ (see Giddens, 1998). It did this without necessarily compromising the economic aims of the Thatcher Government, or the neo-liberal policy instrument favoured for achieving them. For example, Vincent-Jones suggests abolition of Compulsory Competitive Tendering (CCT) was neither intended to shift the balance of power back from central to local government, nor to return to large-scale direct service provision typical in the public sector prior to reforms in Britain during the 1980’s (1999: 273-4).

The intent of the Best Value program in Britain was to generate initiatives throughout the local government sector, to secure performance improvements while simultaneously making community accountability, and local leadership, more robust. It was assumed
that local government would play a formative role in enhancing ‘quality of life’ for local constituents by making governance more ethical and inclusive. This would be achieved via the inherently reflexive processes of Best Value, including self-review, responsiveness to community consultation, and standard setting, all of which were directed to continuous improvement.

Although there are significant differences between the local government sectors of Britain and Australia, the Victorian Best Value program introduced by the newly elected Labor Government closely replicated the imperatives of Blair’s program as outlined above. For example in Victoria, as in Britain, the intent of Best Value to enhance governance was framed as a duty described within the context of a performance management framework. Increased autonomy and local ownership was also foreshadowed, as with Blair’s program; and accountability along with improved community engagement was to be achieved via direct community consultation. The agenda for both programs was explicitly aimed at continuous improvement of both cost and quality standards in service delivery.

In Victoria however, the Local Government Act of 1989 was amended in great haste in 1999. There was no provision for a pilot program like that undertaken in Britain, where Best Value was ‘stepped in’ gradually with forty local authorities elected in England and Wales, from one hundred and fifty applications, to test the provisional Best Value Framework over a three year period (DETR 1998b). In the UK, pilot proposals were required to demonstrate - among other things - how service users and members of the community would be involved. They were intended to identify performance indicators to be used by authorities during the course of the project (DETR, 1997a). Participation in piloting Best Value required local authorities to set measurable targets, and to show willingness to share information and performance indicators with comparator authorities. As well as this, the Beacon councils had to evidence readiness to be subjected to monitoring programs directed to refining key performance indicators for service quality and efficiency. Selection for the Pilot projects meant local authorities were exempt from particular requirements of CCT. This approach allowed comparisons to be drawn between service provision under the CCT regime, and the pilot proposals under the Best Value framework (see Vincent-Jones, 1999: 280).
Best Value in Victoria

Within Victorian local authorities, the duty of strengthening genuine local planning and improving local economies and social networks was prescribed by detailing Best Value Principles, which aligned closely with those of the British model (see Green and White Papers DETR, 1998 and the Local Government Act, DETR 1999a). The amendments were predicated on six principles including quality and cost standards for all services, responsiveness to community needs, accessible and appropriately targeted services, continuous improvement, regular community consultation; and frequent reporting to the community.

The Bracks government’s revision of the Victorian Local Government Act, in 1999, to include Best Value represented a significant contrast to the policy instrument used by the prior conservative Kennett regime, with its requirement for councils to compulsorily tender fifty per cent of their service expenditure within a very short time frame. Local authorities were forced to adopt market principles to ensure all services were delivered according to the dictates of external competition (Alford, 1994). However, in Britain by the late 1990s, it was apparent that an imposed competitive market model did not automatically ensure effective service provision. Indeed, Blair referred to the negative consequences of CCT including the ‘tendency to discourage local ownership and responsibility’ as a rationale for introducing Best Value in Britain, believing that compulsion tended to breed ‘antagonism’ (DETR 1998, 6).

Accordingly, in Victoria it was held that Best Value was needed to address similar problems without necessarily dispatching with the economic efficiencies resulting from the prior CCT regimen. Adoption of Best Value, in Victoria, mirrored Blair’s commitment to placing ‘the interests of the public first [by] enabling local governments to focus on what matters to their local communities’ (DETR 1998, 6-7).

With a relaxation of the requirement for councils to operate strictly in accordance with market models to define cost and quality standards for improved service delivery, Best Value was represented as the intent for local councils to focus on the ‘real needs’ of their communities. It was assumed that Best Value principles were equally applicable to all council services, whether provided in-house, by volunteers or by contractors
In this way, Best Value afforded local authorities with scope to identify specific needs of their communities. By addressing local priorities councils could theoretically transcend the ‘one size fits all’ compliance approach typical of CCT. Standard definitions and externally imposed specifications or solutions no longer represented the operational baseline for service delivery. It was supposed that this new and more flexible climate would support the generation of a sustainable culture of continuous improvement stemming directly from the local authority and the community.

Unsurprisingly in the Victorian case, with the new flexibility came a degree of uncertainty, particularly for organizations accustomed to date to externally imposed directives and prescriptions being filtered ‘downwards’ to the operational level. In effect, the shift to Best Value meant local management and service delivery was no longer a matter of reliance on ‘off-the-shelf’ toolkits, or diligent compliance with standardized rules and procedures.

Although not mandatory as it was during CCT, competition was no longer of paramount importance. However, it was not precluded as an aspect of Best Value in either Britain, or Australia, regardless of the new flexible discourse of governance (Wisniewski and Stewart, 2001). Removal of the compulsory requirement to subject all services to tender reflected recognition that competition represents only one way of improving service quality through reducing cost to achieve economic efficiencies. Accountability now entailed ensuring changes to service delivery did not incur costs outweighing benefits, particularly in relation to small rural councils. This represented a far more complex exercise, with the new focus extending beyond the issue of service output to include outcomes.

In Victoria, auditing was loosely linked to the establishment of a reporting-feedback cycle. This would enable councils to communicate on performance against objectives and targets via direct consultation with the community. It was anticipated that, as a policy instrument, Best Value would furnish a close dovetailing between service delivery and the genuine needs and requirements of communities. As a performance management framework, Best Value legislation provided for some flexibility within the structure of the policy itself. Despite this, and although the legislation replaced
compulsory ‘contractualisation’ with an alternative management framework, the legislation remained prescriptive.

On the face of things, the marketisation model of CCT was exchanged for a very different compulsory, but rather more flexible, performance management framework. Based on duty instead of compliance, the Best Value principles would supposedly secure both economic efficiencies and continuous improvements in service quality. In addition, a qualitative shift in the discourse of governance was signalled; and - at least implicitly – the legislation indicated a significant devolution of regulatory control to the lowest strata of the governance hierarchy, and to the community.

Aulich and Pietsch (2002) provide an interesting historical analysis of the evolution of local government going back to when the Australian Constitution was first produced. They suggest that although the leaders of the federation movement did not deliberately exclude local government in the pre-federation discussions, for a number of reasons there was little pressure for inclusion of local agendas and concerns (p:14). Marshall is cited as suggesting that Australia was in the small group of countries with Anglo variants of local government systems that ‘show a relative lack of enthusiasm for local democracy, and where the health of local authorities is in a more precarious state than in other Western polities’ (see Marshall, 1998: 644). The chance to redress the ‘Cinderella’ status of local government in the Australian polity, in a referendum in 1988, brought about no change in the original constitutional arrangements. Indeed, Aulich and Pietsch (2002) suggest that, to date, the question remains unanswered as to whether local government can make claims to being a part of the national polity at all, as opposed to existing simply as an agent for delivering public services on behalf of other spheres of the government (p:22).

Best Value, in Victoria, can readily be situated with respect to this brief historical contextualization, and sketch of the expansion of New Public Management doctrines occurring in Britain, and elsewhere. For example, the impact of neo-liberalism on public administration in Australian local government, during the previous decade, was in many respects mirrored in changes evidenced in other western nations including New Zealand, the USA and Canada (see Hodge, 2000).
Divergences of Best Value from CCT

With Best Value, the most important shift occurred in the policy implementation context. Articulating in ways that complement, rather than change, the substance of CCT, the government literature on Best Value evidenced a new discourse of ‘community engagement’ and a new rhetoric of inclusion. By implicating all members of the community in the governance process, including both constituents and stakeholders delivering particular services, this discourse represented a significant departure from the trademark language of contracts, competition, client-provider splits and private sector efficiencies typical of the prior CCT period.

As a ‘new’ discourse of governance, Best Value characterized community members as engaged citizens playing an active and even regulative role in the governance process, rather than as the ‘clients’ or ‘customers’ of particular service providers. Community members were depicted as acting in the role of decision maker, or at least as owners of, or stakeholders in, the decision-making process. As self-interested participants in the project for developing sustainable and viable communities, ideally this engagement would generate robust local leadership mirrored in the emergence of new forms of local discretion. The devolution of responsibility and control, to the local level distinguished Best Value from the old regime of compulsory competitive tendering, flagging it as a policy instrument for ‘growing’ and strengthening communities.

Achieving such an objective, however, requires reporting lines within the governance hierarchy to become multi-directional. Despite several semantic and structural differences between CCT and Best Value, the mandated review and reporting requirements adopted, at the time, meant Best Value had essentially ‘re-regulated’ rather than de-regulated local government.

Oversight Mechanisms

This re-regulation of local government authorities, along with the other changes outlined above, required a vehicle for monitoring and evaluating outcomes. The obvious choice would be establishing appropriate performance indicators or benchmarks to be audited either internally, externally, or both. Despite Best Value being predicated on
continuous improvement, ‘how’ this was to be achieved and demonstrated in an operational sense remained largely unspecified, in the Victorian case. Presumably this was to avoid compromising the flexibility of the legislation - proclaimed as critical for banishing the ‘one size fits all’ pragmatism of the Kennett period. Accordingly, The Best Value Commission was established by the Bracks’ Labor Government, in 2000, to oversee the new program.

With the brief of supporting, and encouraging, authorities in making Best Value applicable to corporate planning responsibilities for all services and functions provided by local government units, the newly constituted Commission was to oversee the Victorian legislation by ensuring all services were reviewed in line with the legislative requirements. Compliance to Best Value was to be demonstrated and monitored via a review process to be completed by December, 2005. The Commission’s task was to assist local authorities improve organizational capacity for achieving more autonomous and sustainable communities. Local authorities were encouraged to identify performance indicators that would address both quality and cost concerns in their constituency.

In Britain, monitoring of Best Value was far more vigorous than appears to be the case in Victoria. For example, Boyne (1999) says that all local authorities had to adopt internal management processes that closely resembled conventional models of rational planning. In addition, he suggests that even the central government seemed to lack confidence that these planning processes would in themselves lead to better services: *It has therefore put in place a system of external regulation that is intended to restrain the behaviour and performances of local authorities, principally through performance indicators, audit and inspection* (Boyne, 2000:7). In Britain performance indicators had by statute been required by the Audit Commission, since 1992, from all local authorities on an annual basis. Although some of these were superceded by Best Value, with new sets of PIs, councils were still required to return a supplementary suite of indicators to the Commission annually (Boyne, 2000:7).

In Britain too, the Best Value program for community strengthening via renewal of initiative in local authorities, was far more extensive than in Victoria. Planned with the objective of encouraging, and ‘rewarding by recognition’ innovatory management
practice in local government, the aim was to motivate councils to adopt creative and effective responses to service delivery, including the development of a range of partnering relationships both private and public. McAdam and O’Neill (2002) described the shift to Best Value in Britain as a ‘meta-level initiative’ extending to all UK Government’s change programs, although the primary impetus was in local government with the discourse centred on strengthening local democracy and achieving community based governance. In Victoria, there was little indication of a similarly complex auditing framework to that adopted in Britain, suggesting in the Victorian case that the reforms did not resemble in any meaningful way the idea of Best Value as a ‘meta-level initiative’. The focus of the Victorian reform program was directed on day to day operations at the most fundamental level of the governance hierarchy.

It should be noted, that local government in Australia, is just one of three tiers of government including the national level; an intermediate level of six state and two territorial governments; and more than six hundred diverse and widely dispersed local units of government. Aulich describes the local government units as ‘representing a comprehensive, if varied and fragmented, delivery system’(1999b:37), also noting the lack of constitutional recognition of local government at the national level; and the high level of prescription concerning local government powers and functions through state legislation. He contends that local government in Australia, has often been described as ‘a creature of the states’ (p: 37). Others have argued too that, comparatively, Australian local government units have been narrowly allocated with functions, by the states, that rank it as having among the weakest range of local government functions in any western country (see Gyford, 1986: 135).

Critique in Britain

With the Blair modernization agenda, significant critique emerged from the British experience of Best Value. Liddle, for example, argued although Best Value was politically central to the Government’s objective of reinvigorating and reinforcing local democracy via consultation with, and involvement of, service users and the wider community, that when the principles were introduced there was little consensus in Britain, either on what best value is, or on how it may evolve (Liddle, 1999: 206). More recently Game (2002), in an interim review of some of the key policies in the Blair
Government’s modernization agenda for local government, argues the Best Value program has fallen short of its ambitious and radical rhetoric, particularly with respect of the replacement of CCT with a ‘best value’ service regime. Best Value is described as ‘excessively bureaucratic, prescriptive and centralist, by Game (2002: 405), and even after the legislation’s full implementation in 2000, it is held that uncertainty remains about who decides whether or not Best Value is being achieved: ministers, auditors or the service users and voters (Game, 2002: 413).

Another key issue according to Game, in the British case, is the significance of the ‘central/local funding balance to the democratic health of its (British) local government’ (2002: 415). He contends that a system where only around four per cent of the nation’s tax is locally raised remains, by default, democratically indefensible, particularly when compared with other OECD countries with an average of thirteen percent, and the Scandinavian average of around twenty-five per cent (Game, 2002). As the current research is directed to accessing how Victorian practitioners adapted to the introduction of Best Value, it is conducted with an eye to comparing the Victorian and British programs. Consideration is given as to whether Best Value was adopted with a similar lack of consensus about ‘meanings’ of the program, and confusion as to how Best Value should evolve, be fiscally managed and evaluated. Given the haste with which the newly elected Labor government instigated Best Value in the Victorian case, such questions remain unanswered as to the success or failure of the new project of rule; or as to whether the outcomes of implementation in Britain, have been mirrored in the Victorian case.

**Recent Research on Local Government in Australia**

On the basis of inconclusive empirical evidence gathered in Australia, and elsewhere, (see also Byrnes and Dollery, 2002), Dollery argues the debate surrounding amalgamation of local government in Australia remains, as yet, unresolved (2003:82). He suggests significant challenges exist, in Australia, to proponents of structural reform, for example Soul (2001), who stresses the merits of the efficiency-inducing effects of municipal consolidation deriving from economies of scale and scope in service delivery, resulting from council amalgamations (see Dollery, 2003:82). With the transition from CCT to Best Value, others contend that despite the new duties framework of Best
Value, ‘the transitional period is likely to see mutual interpenetration of new and old ideas and practices’ (see Vincent-Jones, 1999:288).

Other researchers focus on the tensions generated by managerialism in the local government sector. For instance, Van Gramberg and Teicher (2000) identify a paradox between the rhetoric of the empowered, entrepreneurial ‘new public manager’ of modernization agendas like Best Value, and the reality of intensified government control and scrutiny over activities at the municipal level. In the Victorian context, this tension is construed as putting ‘an ideological gloss on the adaptation of management strategies to local political agendas which function to disguise the diminishing role of government and the increasing reliance on the market in local authorities’ (p.476).

Examining these issues, in the Australian context, has contributed to both the theoretical and empirical research agendas on New Public Management. For example more recently, in the context of the extant literature on theories of public sector reform, Dollery (2003) critically examined the applicability of a theoretical model of virtual local government (proposed by Allan, 2001). An approach to local government is mooted that ‘seeks to combine the service appropriateness and effectiveness purportedly associated with demographically small councils, with the service efficiency of large municipalities’ (Dollery, 2003:83). This proposal is examined in relation to the massive structural changes experienced in the Australian local government sector, in the last decade. Council amalgamations were most draconian in Victoria, and in the light of new institutional economics, public choice theory and the unique characteristics of Australian local government, Dollery’s position is that such an approach is deserving of the ‘sustained and systematic attention of public policy-makers in Australia’ (Dollery, 2003:90).

Using a more grounded approach, Kloot (2001) conducts an empirical evaluation of current local government corporate plans, demonstrating how the diversity and content of these plans may compromise their utility for accountability purposes. Providing rich insights concerning the role of corporate planning in the Victorian local government sector, this research indicates that while corporate plans enhance identification of significant strategic objectives in local authorities, the lack of performance indicators and specific targets for evaluating performance remains problematic in Victorian local
government (see also Kloot, 1999). Although much reform has been undertaken in the public sector, in the name of improving performance outcomes (see Parker and Gould, 1999), Kloot concludes the lack of performance targets identified in her research is indicative that ‘managerialist reforms do not always achieve their goals, and - if performance is an unknown, the determination of improved performance is problematic’ (2001:27).

Aulich (1999a) examines the patterns of divergence and convergence resulting from recent reform in the Australian local government sector. He identifies the resultant systemic patterns stemming from changes to the local government Acts starting in Victoria (in 1989); and continuing in Queensland, New South Wales, Tasmania and the Northern Territory (in 1993); and finishing with Western Australia (in 1995). It is suggested that at one level this ‘reform activity represents a nationalization of the local government reform process’ (Aulich, 1999a:15), with the common element of these reforms being two primary agendas - namely, improved management of resources and a focus on governance issues, particularly a redefinition of roles and responsibilities of the various actors in different spheres of government.

In addition to clarifying respective roles of state and local government, the common objectives of the reforms include increased devolution and advancement of local capacity; mandating consulting and reporting as part of the strategic management process; and, enhancing provisions for referenda to ensure councils are accountable and responsive to communities they serve. From this perspective, changes to the local government Act, Australia-wide, have led to stronger ‘convergence between local government systems as the solutions have invariably been transferred between state jurisdictions’ (Aulich 1999a:13). At the same time as acknowledging the recent nature and rapidity of these changes, Aulich cautions that such patterns of reform are in flux, and as a result require constant revisiting (Aulich, 1999a:13).

For this reason, despite the high level of convergence outlined above, Aulich draws on a theoretical distinction between a structural-efficiency model where local government is perceived more narrowly as the supplier of goods and services (1999a); and a second approach entailing a contrasting interventionist local democracy model, which correlates with a willingness to accept diversity as an outcome (p:18-19). Embodying a
more political approach to reform, this model assumes that reform is incremental and
less ‘top down’ than the prior structural-efficiency model suggests.

Not wishing to minimalize strong similarities emerging between the Australian states,
Aulich uses the two models to classify changes to Australian local government in
different states, suggesting that the Victorian Local Government Act (1989) placed
Victoria, along with South Australia and Tasmania, squarely within the parameters of
the structural-efficiency model of modernization, with other states falling more under
the auspices of the local democracy model. Accordingly, reform of the Victorian local
government sector should be understood as emphasizing an instrumental approach to
service provision, as well as the tendency to allow fiscal and economic issues to over-
ride other social and political concerns. Influenced by new public management, the
structural-efficiency model can be closely identified with the Weberian construct of
purely instrumental-rational institutions, which Weber saw replacing tradition-bound or
value oriented forms of political and social organization (see Tucker, 1997:3).

The latter model of reform as political process, according to Aulich, reflects changes
that took place in the other states including Western Australia, Queensland and New
South Wales (1999a). This entails a more incremental approach and a view of policy
making as reliant on partial mutual adjustment of the various conflicting claims (p:18)
of a typically pluralist polity. Aulich suggests that it remains to be seen if the states,
presently placing a higher premium of local democracy values, will grow tired of a
slower pace of reform and draw on state powers to propel local government in the states
(New South Wales; Queensland; Western Australia) where there is closer collaboration
between state and local governments, to speedier reform outcomes. As I am writing,
attempts are underway to introduce an amalgamation program in Queensland (October,
2007), supporting the case that economic efficiency eventually supplants local
democracy, as a key value. On the other hand, it could be that states like Victoria, that
initially embraced structural-efficiency, tire from ‘the pressures associated with constant
reform and be[come] sufficiently satisfied with their achievements …to engage a more
political process of reform designed to solicit local government support’ (Aulich
1999a: 22). Our research on the implementation of Best Value, in Victoria, is directed
to providing insights on these issues.
In other research, Aulich documents the ways in which introduction of Best Value was directed to altering core values of both state and local Government organizations through introducing a package of reform measures which did not discount the positive gains of compulsory competitive tendering (CCT). He argues as a result of the modernization program - with its focus on making local government ‘more business-like’ and market oriented (1999b:37), some post-bureaucratic organizational characteristics have been adopted. If this is the case, change has been limited by factors including the bureau-shaping behaviours of senior managers, the failure of competition to generate contestable environments for all services, and an increased level of formalization that was a correlate of introducing CCT into local authorities (p:37).

Resonating more with the local democracy model of local government, also espoused by Aulich (1999a:18), and in keeping with the view of policy making as reliant on partial mutual adjustment of claims of a typically pluralist polity, Wallis and Dollery (2002) suggest local government has real potential to contribute to social capital formation through opening the political opportunity structure, by engaging community groups and voluntary associations in trust-based partnerships. Arguing that governance should be understood as having a broader connotation than ‘government’ as represented by a standardized form of polity, then - as suggested by Bailey (1999:271) - governance is taken to refer to the act, manner and function of governing. For Wallis and Dollery, conceptualizing governance in this manner overcomes the connotations of uniformity, comprehensiveness or standardization of ‘government’ (2002:76) more typically evident in structural-efficiency models of public sector management. On this basis, they take issue with the laissez-faire aspect of seminal theories conceiving of social capital as a community resource built up only through a long tradition of civic engagement.

Such theories are challenged, by considerable cross country diversity in the functions undertaken by local government, the variable sources of local government revenue, and wide variation in principles governing state-local government relations. Thus, Wallis and Dollery contend that modernization agendas in the Australian context underpin a global trend toward much greater complexity in the local public sector (p: 77). Their analysis is indicative of a ‘shift away from monolithic, hierarchical, highly standardized, bureaucratic production technologies to micro-corporatist networked
organizations dominated by meeting the needs of consumption rather than by production’ (see also Bailey, 1999:262).

Thesis rationale

The primary objective of this study is to gain insight about the contribution of Best Value to modernization of local government in Victoria, Australia. Through examining how international trends in public sector administration play out in the Victorian context, the influence of cultural, historical and the political legacies of prior reforms on the lives of those implementing Best Value in Victorian authorities can be gauged. The current research can be situated in the broader global context, enabling the Best Value legislation to be considered in light of the extant literature on New Public Management. Direct examination of the transition from CCT to Best Value, contributes to identifying whether Best Value reflects emergence of a politics of the ‘Third Way’, as envisioned in the British local government sector. Best Value can be evaluated as an alternative policy instrument for public sector management to the market model of CCT. In addressing these issues, the thesis explores several related concerns in management research in the public sector, as follows.

Firstly, as a major focus in academic debate concerns the management of programs like Best Value, there is an urgent requirement for empirical evidence stemming from practitioner experience of those who implement new projects of rule like Best Value. As there is an increasing call for ‘evidence based’ policy, determining if the Best Value agenda delivers significant improvements in service delivery performance, effectiveness and efficiency is a matter of critical importance. Appraisal of auditing programs like Best Value is of primary importance, particularly for understanding the nature of the link between improvement and inspection - which Martin (2004) argues is complex, and at best tenuous. As Boyne (2000) points out, costs of regulation may easily outweigh the benefits; and, in the last count, whether Best Value provides value for money depends on the ratio of service improvements to the cost of internal and external processes (p:11). Questions abound, for instance, does inspection necessarily drive change? What are the costs and consequences of inspection for the bodies inspected - financially, and in terms of interruptions to on-going service delivery, staff morale and
loss of opportunity costs by way of staff time through absorption by the audit process? Assessing the ratio provides both conceptual and technical challenges.

Secondly, this research aims to address methodological issues, by responding to a call for research to redress the imbalance in management research which stems from the tendency to favour quantitative methodologies for evaluating public sector change. Enticott (2004) for example, cautions against over-reliance on ‘elite’ surveys in management research, citing evidence of their misappropriation in private sector research. This research responds to the call for cautious treatment of research strategies of using ‘a most reliable informant’. This is particularly true when researchers examine ‘policy reforms within public sector organizations’ (p.746), given that elite participants may have grounds for prolonging the life of failing policy initiatives, with the attendant danger of operating to hide imperfections. Enticott suggests multiple informant survey techniques would furnish more valid outcomes, which although quantitative are grounded in anthropological tradition.

As there is surprisingly little empirical evidence based on perceptions of practitioners responsible for implementing Best Value, a more eclectic use of research methods is certainly called for. Qualitative approaches, such as orthodox grounded theory, enable closer examination of how councils engage in improving public sector performance, providing an alternative vehicle for addressing Enticott’s and a micro-focus to determine if change, and statutory obligations, are causally linked or succeed as an outcome of regulatory oversight in programs like Best Value.

In this research, Glaserian (1998, 2001, 2005) grounded theory provides a perspective on the practitioner experience of Best Value, giving a valuable counterpoint to elite surveys of policy initiatives (Enticott, 2004). In addition, by offsetting the tendency for research to evaluate reform programs at the macro level (see Geddes and Martin, 2000), grounded theory functions to further identify shared understandings held by actors engaged in operational practice and middle management. By providing immediate access to practitioner standpoints, a grounded perspective of social actors as they discharge the daily duties of making Best Value operational is developed to respond to the call for studies directly addressing experiences of those implementing new legislation (see Higgins, 2004), as opposed to studying the macro-level politics of Best Value.
Thirdly, the research addresses matters of theoretical significance, namely a consideration of the government failure thesis. Higgins (2004) argues research studies of program implementation are overly focused on ‘success’. By detailing the take-up of Best Value in Victorian local authorities, empirical insights may contribute to determining whether a more useful approach could be considering why programs fail to achieve their desired effects in ‘shaping’ projects of rule. Higgins proposes that failure of programs to achieve their intended outcomes should be viewed as a constitutive part of regulation, rather than a failure of the program per se, or of specific aspects of it.

Fourthly, rather than contesting verificational methodologies, the inductive process of Grounded Theory inherently complements them by providing insights that are easily rendered invisible using quantitative methods, particularly concerning day-to-day complexities of making programs of rule operational. Views of practitioners furnish critical insights and understanding of the impact of Best Value on organizational capacity and staff morale, fundamental issues in evaluating if Best Value enhances effectiveness of local authorities by generalizing local discretion and generating ‘better’, more inclusive, governance.

Finally, the research addresses important theoretical questions concerning organizational learning and innovation. In examining how Best Value principles are ‘taken up’ by practitioners, inherent fragilities in programs of rule like Best Value become evident as the tensions inherent in describing ‘duty’ within a performance management framework emerge. The question of whether Best Value enhances development of local leadership, and a genuine change in the nature of community discretion, is central to understanding the relationships between organizational learning and strategic renewal implicit in the modernization agenda of Best Value.

In summary, situating the introduction of Best Value in Victoria within the broader international context provides a comparative basis for examining how the New Management Paradigm impacts on transforming public sector management both ideationally and pragmatically. At present, these changes are more evident in Britain where Best Value principles were introduced somewhat earlier than they were in Victoria in 1997 (see Curry, 1999).
Structure of the Thesis

Chapter One: Background and Context of the Study
The thesis comprises ten chapters, with the first chapter, as above, setting out the purposes, background and context of the study, and providing an analysis of recent research on Victorian and Australian local government in relation to changing intellectual currents in the New Public Management. The rationale for the research is presented to demonstrate both the academic and practical intentions of the project.

Chapter Two: Research Design and Methodological Issues
In Chapter Two, my choice of Glaserian grounded theory is defended. Firstly, I detail the methodological rift between the two founders of grounded theory (Glaser and Strauss, 1967), to establish a clear justification and evidence for the grounded theory approach selected, in this case the Orthodox Glaserian form. Given the heated debate between the founders and a plethora of ever more detailed specifications of the approach, a research project must clearly articulate how the grounded theory paradigm has been applied to support any attendant knowledge claims.

With Glaser’s vigorous defence of the original version of Grounded Theory (e.g., 1978, 1992, 1998, 2001, 2005), it should be noted that this debate has fuelled significant recent critique (e.g. Suddaby, 2006; Jones 2004) about the misappropriation of grounded theory as method in management research. This critique provides a strong imperative for clarifying the methodological rationale for adoption of the Orthodox Glaserian form in this project.

Secondly, having established my grounds for adhering to the Glaserian paradigm for the research, the epistemological and ontological assumptions of the research are carefully explained in Chapter Two.

Chapter Three: Emergence of a Core Category - Practicing Alchemy
Chapter Three presents the outcomes of the first stage of the research with two purposes. Firstly, this chapter articulates and demonstrates how Glaserian strategies were applied in the first stage of analysis, and throughout the research. The principles of analytic induction, on which grounded theory relies, are illustrated to show how the
primary themes informing the research emerged: leading to provisional discovery of the core category Practicing Alchemy. By reading Chapter Three in conjunction with Appendix A, which provides a more detailed analysis of how categories and properties of the emergent grounded theory are induced from the raw data, it is intended to demonstrate how the Alchemic Life-Cycle is grounded in the empirical evidence, as a result of systematic application of the Glaserian coding paradigm and other principles of grounded theorizing as method.

Appendix A also illustrates the role of incident cards (see Martin and Turner, 1986) as the foundation of sorting and coding operations, and for progression from open to selective coding. From application of the principles of constant comparison, and memoing, patterns and themes are identified, and emergent categories become apparent to guide site spreading, theoretical sampling and in aiding the elaboration of theoretical codes as the research proceeds. The progressive modification of the aide memoir to delimit the research, and augment data gathering, is presented in Appendix B. This should be read in conjunction with Chapter Three, where the first stage of analysis is detailed to illustrate how the core category Practicing Alchemy emerged to support further delimitation of the research, and to guide future data collection to substantiate the Grounded Theory of the Alchemic Life-Cycle.

Chapter Four: Practicing Alchemy and the Grounded Theory - The Alchemic Life-Cycle
This chapter presents an overview of the parsimonious grounded theory The Alchemic Life-Cycle. It details the emergence of the core category, Practicing Alchemy, as the primary means for organizational development practitioners to resolve their main concern in implementing Best Value. As the core category of the Basic Social Process of the Alchemic Life-Cycle, alchemic practice is employed resolve fundamental challenges in making Best Value operational. The four different forms of alchemic practice are indicative of how the Alchemic Life-Cycle unfolds, in a sequential manner, with four distinct stages. One of each of the four forms of alchemic practice predominates at each stage, without precluding the possibility of each form being present separately, or in conjunction with other alchemic forms, during any stage of the Alchemic Life-Cycle.
The theoretical model of The Alchemic Life-Cycle represents a cyclic-consequence model, with four stages linked in a ‘processual’ manner, around which the data is integrated to explain how ODPS resolve their main concern, through the Basic Social Process of Practicing Alchemy, to overcome the challenges of implementing Best Value legislation and address tensions inherent in a performance management framework overlaid by a duties imperative.

Chapters Five to Eight: The Four Stages of The Alchemic Life-Cycle

In Chapters Five to Eight, each of the four stages of the Alchemic Life-Cycle are fully developed with Chapter Five presenting the first stage, Legislative Filtering; Chapter Six, detailing the second Legislative Smoothing stage; Chapter Seven documenting Stage Three or Legislative Praxis; and, Chapter Eight presenting the final stage of Legislative Grooming.

These chapters supply supporting evidence, drawn directly from the data, as examples of the stages, phases, properties and sub-properties that substantiate the emergent core category ‘Practicing Alchemy’. Data is used in this way to provide conceptual support for how Alchemic Cycle unfolds in four stages, gradually feeding back into itself as the fourth stage reaches completion, and the cycle begins anew.

It should be stated here that I have selected to stick to one spelling of the word ‘practice’, namely the American one, to avoid confusion. Although, Practicing Alchemy is a gerund construct, it seems inconsistent to slip between the verb spelling using an ‘s’, to the noun usage spelt with a ‘c’ to denote the various forms of alchemic practice which, conceptually, are part and parcel of the gerund construct and core category of the emergent Ground Theory.

Chapter Nine: Literature Comparison

In this chapter, literature relevant to the research outcomes is presented in order to develop the academic significance of the findings. The heuristic value of the parsimonious grounded theory of The Alchemic Life-Cycle is examined in the light of relevant extant literature including ideas drawn from a range of fields that contribute to, and add density, to the research findings. Ideas that further support the emergent theory of the Alchemic Life-Cycle and gerund construct Practicing Alchemy, including
organizational learning frameworks, network analysis and community of practice theory discussed in conjunction with Foucaultian concepts of Governmentality to augment the findings of this research. The literature is presented with ‘selectivity according to the perceived areas of relevance’ (Guthrie, 2000: 101).

To this end the basic social process of The Alchemic Life-Cycle is presented in relation to a current conceptualization of knowledge management (Birkinshaw and Sheehan, 2002); and contrasted more particularly with a strikingly similar paradigm on organizational learning formulated by Crossan, Lane and White (1999). In addition, the relationship between Communities of Practice Theory and Actor Network Theory, are juxtaposed as situated learning theories to provide complementary theoretical perspectives to the Alchemic Life-Cycle, as an explanation of how ODPs resolve the primary concerns of implementing Best Value, in Victorian local authorities (see Fox, 2000). Finally, broader theoretical implications of the research findings are considered in relation to the trend, loosely referred to as the ‘convergence thesis’, which considers the generalization of public sector modernization agendas similar to Best Value, in Britain, Australia and globally, as ubiquitous.

Chapter Ten: Implications and Conclusion
Chapter Ten discusses how the purposes and aims of the research have been achieved, as well as indicating the practical implications of the research for organizational practitioners who must implement programs like Best Value. The chapter includes reflection on the contribution of inductive methods like Grounded Theory to evidence based research as a basis for evaluating and formulating policy on public sector modernization to achieve pragmatic objectives like the growth of more sustainable communities. Finally the research is measured against the four criteria established by Glaser for evaluating a Grounded theory - fit, relevance, workability and modifiability.

The chapter concludes by suggesting that the most important contribution of the parsimonious theory of The Alchemic Life-Cycle is the conceptualization offered firstly for the imperative for organizational practitioners to respond generatively to changing projects of rule; and secondly to explain the contingent nature of this response given the lack of control that ODPs have over a range of contextual factors stemming from the complex interstices between the external and internal governance hierarchies; and the
historical, geographical and cultural constraints operating in the local government authorities concerned. Indeed, Vincent-Jones (2002) suggests, in the British case, that fifteen years of quasi-market and public management reforms have generated a culture that is likely to persist. Firstly, this is likely, because it is in the self interest of local authorities to maintain tight control over their resources, and secondly because CCT will be phased out gradually, rather than suddenly abolished.
CHAPTER TWO: Research Design and Methodological Issues

Introduction

The purpose of this chapter is to articulate the research design by outlining the theoretical and methodological orientations of the thesis including a justification for selection of the Glaserian (orthodox) form of Grounded Theory. In addition, the rationale for pursuing a discussion of the extant literature in Chapter Nine is presented to explain why the research outcomes are embedded at the end of the dissertation relative to appropriate conceptual frameworks concerning organizational learning, and public sector change, rather than at the beginning of the thesis as the literature review would be in a verificational research design. The epistemological assumptions underlying orthodox Grounded Theory are examined in some detail and the chapter includes a discussion of the limitations of this research including analysis of the problem of embeddedness, and how this impacts on considerations of validity, reliability and the generalisability of the outcomes.

The primary aim of Chapter Two is to demonstrate the relevance of Glaserian Grounded Theory for investigating Best Value in the Victorian local government context by theoretically situating the research in relation to the ontological and epistemological assumptions of the interpretivist paradigm, and orthodox Grounded Theory as applied in this project. An exposition of research design requires clear statement regarding several closely interfaced domains of the investigative process, the primary one being location of the substantive area of the study within an appropriate research paradigm (Creswell, 1994; Sarantakos, 1998). My reasons for selecting an interpretivist theoretical framework are presented along with discussion and controversies in the related methodological domain. The methods used to collect and analyse the data are briefly presented here, with a more explicit articulation of the data gathering and interpretation techniques provided in Chapter Three, to illustrate how Glaserian procedures were applied in the pilot study and adhered to throughout the research process.

Further justification for selection of Grounded Theory is advanced in this chapter, by discussing how this approach can redress the tendency of much current management research to make weakly supported theoretical claims, for example regarding a universal
shift (particularly in OECD countries) in public sector management from traditional bureaucratic forms towards new management models (see for example Aucoin, 1990; Osborne and Gaebler, 1992), with such representations loosely sharing the appellation of ‘the convergence thesis’. In addition to this, other critics focus on the prevalence of measurement regimens in public sector research that mirror the dependence of much empirical investigation being directed to specifying critical variables for successful change management in the private sector. For example, Boyne (2003) expresses scepticism on the extent of such transference, arguing research in public sector management should avoid many flaws of slavish adherence to such measurement, lending additional persuasion to the choice of a qualitative research design, and Glaserian Grounded Theory for this project.

**Theoretical foundations of the study**

Crotty reminds us to treat research paradigms as scaffolding, rather than as an edifice, saying paradigms give researchers ‘a sense of stability and direction as they go on to do their own building’ (1998:2). This is a useful metaphor for the inductive research pathways followed in this research, accommodating the complex interrelationships between theory, methodology and method in Grounded Theory. A paradigm embodies ontological understandings of ‘what is’ as well as epistemological assumptions about ‘what it means to know’, which are for Crotty inextricably related issues (1998:10). Four alternative theoretical paradigms could inform the design of this project, including positivist; critical; Marxist; post-structural and interpretivist paradigms; each with differing ontological and epistemological assumptions (see Connole, Smith and Wiseman, 1993:17-42). An explanation follows of why the first three of these alternatives are rejected in favour of the interpretivist paradigm, starting with the positivist paradigm.

Boyne’s (2003) meta-analysis of current research on public sector improvement revealed serious methodological shortcomings in sixty-five examples of management research conducted primarily within a positivistic paradigm, suggesting the need to explore alternative paradigms for management research, and the value in take-up of qualitative approaches based on inductive rather than deductive design principles. As this study concerns direct examination of perceptions and experiences of practitioners
implementing Best Value, the inductivist principles informing the interpretivist paradigm provide a viable alternative for framing the research to the verificational research designs found wanting by Boyne (2003).


Paralleling this debate, and as an outcome of how Grounded Theory has been popularized and widely applied in management research, there is now a mounting critique in management research on the misuse of Grounded Theory (see Suddaby, 2006; and Jones, 2007). The upshot of this is that absolute transparency about the epistemological and ontological underpinnings of whichever form of Grounded Theory is adopted is needed to ensure compliance with the methodology and to avoid confusion stemming from a tendency for method slurring. Accordingly, the following discussion centres on the ontological and epistemological underpinnings of the ‘Glaserian’ form used in this investigation of Best Value in Victorian local government.

**Ontological Grounds for Selecting an Interpretivist Research Paradigm**

In contrast with positivistic ontological claims, interpretivists eschew any notion that reality is unitary; and reject the idea that investigation should be based on empirical analytic inquiry moderated by objective rules of scientific method. Interpretivism starts from an assumption of multiple realities, and logically requires recognition that multiple methods of inquiry are necessary to properly understand social reality. Boyne’s (2003) meta-analysis provides a range of methodological grounds for challenging the unitary ontological assumptions of the positivist paradigm. As the research for this project is
specifically concerned with intentions, impressions, behaviours and experiences of social actors responsible for making Best Value operational, it starts from the assumption of multiple realities. By investigating the substantive issues of the greatest concern for the practitioners implementing Best Value; the research proceeds in an atheoretical fashion, addressing Boyne’s call for adoption of more eclectic research pathways to further the research agenda on public sector improvement.

Although Grounded Theory, methodologically speaking is primarily an inductivist approach, Glaser cautions against oversimplifying the very complex thinking patterns involved, warning that at least some elements of deduction are entailed. For example, Grounded Theory borrows deductive methods from the positivistic/empiricist paradigm during the theoretical sampling stage (see Glaser, 1998:43), thus evidencing methodological eclecticism. Despite this, the researcher primarily follows an inductive thought path to explore the substantive area of inquiry, which does not necessitate formulation of a highly specific research question, or derivation of explicit hypotheses to be subjected to verificational procedures.

The methodological eclecticism of the Grounded Theory approach allows for openness as to where research may lead, contrasting with verificational aims more typical of experimental, or quasi-experimental research. Glaser believes ‘It is in the nature of man to force the data. Forcing is a normative projection, a learned preconception, a paradigmatic projection, a cultural organization. With age and experience people tend to know; they believe what is going on with less and less data. Even in Grounded Theory, once formulated, the researcher tends to see the theory as applying elsewhere without emergent fit’ (1998: 81). Emergent fit as a key objective of grounded theory methodology challenges the aims of verificational research designs by re-conceptualizing how validity is apprehended. With exploratory studies and investigating novel phenomena such as the introduction of Best Value into Victorian local government, emergent fit is especially desirable. In this instance, a deductive (verificational) research design may easily imperil potential for discovering relevant novel, and pre-empt workable, substantive theories.

Along with the positivist paradigm, alternatives such as critical theory and post-structuralism are similarly rejected as suitable theoretical frameworks for this
investigation of Best Value (see Connole, et. al., 1993:17-22). Ontologically, critical theory privileges communication processes as a key determinant of social and behavioural outcomes (see Habermas, 1984: 286). Critical theory, like Interpretivism, is committed to the principle of shared meanings as the ontological locus for data gathering because meanings are viewed as prior to logic and fact. However, for interpretivists - in keeping with early statements on interactionism by George Herbert Mead (1934) - meanings are simply the basis of symbolic exchange, or the main ‘currency’ via which actors negotiate their daily reality. In contrast, critical theorists assume meanings are less neutral. This is because communication processes between actors are if not distorted by, at least subject to ideological manipulation by some groups of actors in a society at the expense of other groups. Thus, from an ontological standpoint, critical theorists problematize social reality - whereas interpretivists do not necessarily.

The alternative Marxist structural analysis aligns with the critical paradigm, privileging structural economic arrangements as determinants in the exchange relationships between actors, rather than communicative action as favoured by the critical theorists. With the central tenet that purposive-rational action (namely work) is the most distinctive and pervasive human phenomena, this paradigm commits to structural determinism meaning that like communicative action, purposive-rational action is not neutrally mediated by the actors concerned.

The initial findings of the pilot phase of this research (documented in Chapter Three), render such structural approaches as overly determinist, given the divergent, proactive, and highly generative responses of practitioners to Best Value. Even in the earliest stages of analysis indications pointed to the emergent core category ‘practicing alchemy’ suggesting a far greater spectrum of ‘agency’ than critical or Marxist paradigms would theoretically accommodate. The enthusiasm and high levels of engagement of participants with the task of implementing Best Value, as well as their willingness to contribute to the research outcomes, suggested a more voluntaristic construct of the social actor, without necessarily precluding the role of structural constraints. Indeed, any criticism of Best Value per se by participants rarely reflected a desire to modify the principles informing the modernization program entailed in the legislation.
Importantly, my selection of an interpretivist paradigm does not preclude the possibility of structural circumstances ‘emerging’ or playing a significant role in the development of a parsimonious Grounded Theory concerning implementation of Best Value in the Victorian context. However, the dangers of ‘forcing’ are avoided because from the interpretivist standpoint structural determinism is not assumed as a ‘given’. Blumer for example, a major representative of the interpretivist paradigm, was acerbic towards critics who charged symbolic interactionists with ignoring the role of social structural constraints on individual actors (1977: 286), rejecting outright any such interpretation of Mead’s work (1969:75).

The interpretivist paradigm selected for the research is theoretically grounded in Mead and Blumer’s (1973) ontological commitments to the ‘social construction of reality’. The interpretivist paradigm based on these principles supports an exploratory investigation of Best Value untainted by preconceptions or prescriptions about structural arrangements, without precluding their potential for shaping the outcomes of implementation. By starting with general questions about ‘what is going on’ in a substantive area, rather than with tightly framed preconceived hypotheses; prescriptive ontological assumptions are avoided. In this way the dangers of ‘forcing’ the data, inherent for Glaser in research designs informed by positivist and critical assumptions, are pre-empted with the adoption of an atheoretical and open-ended interpretivist ontological stance.

A final research paradigm, namely post-structuralism dealt with briefly here, is dismissed outright as a suitable framework for the substantive study of Best Value due to the ontological subjectivism, and extreme relativism involved. For post-structuralists there is no ‘reality’ - except that accessible to us by language. From a narrative ontological standpoint a plurality of realities is assumed, and conceived of as representations or discourses, some becoming naturalized via ideology. In this research the participants’ stories were at times so compelling, that I was tempted by the possibility of using narrative methods to present the data.

My struggle with determining how best to represent participants’ tales culminated in a paper documenting my journey as a novice researcher (Bryant and Lasky, 2007). By this means I resolved my methodological dilemmas, and diverted back to the orthodoxy
of Glaserian Grounded Theory. In hindsight, I believe this was fortuitous because, while the post-structural paradigm shares assumptions about the alignment between knowledge and power with the critical paradigm, its assumption of ontological subjectivism stands in opposition to the social constructionism of the interpretivist paradigm. Although post-structuralists are not entirely pessimistic about the potential of social actors to intervene (via potentially deconstructing dominant discourses of power), this study was interested less in intervention per se than in interpreting how actors mediate, process and resolve the on-going challenges associated with implementing Best Value. My concern was to understand how Best Value practitioners made sense of the legislation by routinely resolving the obstacles confronting them as they made the legislation operational. Application of the methods of orthodox Grounded Theory indicated from quite early on patterns and core concerns of the Best Value practitioners contributing to identification of how these are resolved by means of a parsimonious grounded theory.

Finally, the extreme subjectivism of post-structuralism - in making discourses of power the ontological locus of data - depends on the normative aspects of structural constraints and institutional complexities being side-lined. In examining a program like Best Value, ignoring normative factors such as the external legislative context, both international and national, or idiosyncratic local contingencies (when both domains were a constant in all stories told by participants) would be an oversight. As grounded theorists are concerned precisely with how participants mediate the normative constraints and challenges inherent in Best Value, this would essentially conflict with the ahistoric assumptions of the post-structural paradigm.

In summary, from an ontological standpoint, the aim of Grounded Theory is to develop middle range theories that explain in a processual manner how social actors deal with the contingencies of everyday reality. This makes it paradigmatically compatible with the wholly pragmatic aims and purposes of this research, given that we are less interested in how knowledge is constituted as truth by social actors (as critical theorists would be), or how their reality is constituted via discourses (the focus for post structuralists). The focus of this research is not only on ‘how’ ODPs construe their situation; but on explaining how Best Value practitioners ‘resolve’ their fundamental concerns through discovery of a parsimonious theory. The intent is to demonstrate
convincingly how practitioners, in implementing a program of rule, ‘construct’ social reality in an on-going and processual manner to accommodate everyday contingencies impacting on the implementation task.

Commitment to an interpretivist paradigm allows for identification and investigation of substantive concerns of the practitioners implementing Best Value, without imposing the ontological limitations of positivist, critical or post-structural paradigms thus further redressing the methodological flaws identified by Boyne (2003) typical of positivist approaches typifying the management research agenda, and often influencing the course of research practice on public sector change.

Epistemological Grounds for selecting an Interpretivist Paradigm

Crotty believes ontological and epistemological issues tend to emerge together - ‘to talk of the construction of meaning is to talk of the construction of meaningful reality’ (1998:10). Consequently, he argues researchers often fall into the trap of not distinguishing between ontology and epistemology by conflating realism (the ontological position that realities exist outside of the mind) with objectivism, the epistemological position that meaning (and therefore meaningful reality) exist apart from the operation of human consciousness. It is suggested here this confusion lies at the core of much current debate on the ‘proper form’ of Grounded Theory, as well as being a root cause of much loss of integrity in how Grounded Theory is applied in management research (see Suddaby, 2006; and Jones and Noble, 2007).

Crotty also suggests that the epistemology embedded in symbolic interactionism is ‘thoroughly constructivist in character’ (1998:4), an idea that is foundational for the interpretivist paradigm informing this research. Constructionism entails the view that all knowledge and therefore meaningful reality is contingent on human practices constructed via and out of interaction between human beings and their world; and developed and transmitted within an essentially social context (see Crotty, 1998: 42). Epistemologically in constructionism there is no correspondence with the idea of an objective ‘truth’ beyond the realm of human consciousness waiting to be discovered, as is axiomatic with the positivist paradigm. Meaning can essentially be constructed by the social actors in any given situation. The pilot study of this research indicated the need to
investigate further and interpret the highly generative responses of organizational
development practitioners to situations of uncertainty associated with implementing the
new Best Value legislation in specific locales. For this reason a non-objectivist
epistemology is apposite.

**Recent Controversy with Grounded Theory**

Despite the fact that Grounded Theory was co-founded by Glaser and Strauss (1967),
recent debate causing a rift between the founders basically centres on the issue of
misappropriation of the epistemological foundations of the method, making the
imperative to make a clear statement of the epistemological foundations for this
research more urgent. The debate is subsequently characterized as the ‘erosion’ of
Grounded Theory (by Glaser) versus ‘evolution’, the position of Strauss and Corbin
(1990); and Charmaz (2000). Glaser vehemently defends the original methodology,
while Strauss argues for revisions of the method - appropriately basing his restatement
of the original method on this defence. Charmaz (2000) makes a bolder statement still,
arguing Strauss and Corbin have effectively shifted the original methodology into ‘a
post-positivistic domain’ which she argues calls for a restatement of the original
parameters for validity of Grounded Theory.

With this repositioning, Charmaz successfully pin points the cause of confusion
concerning the epistemological basis of Grounded Theory. By indicating the
epistemological affiliation of the Glaserian re-formulation (and original model) of
Grounded Theory with objectivism, Charmaz points to the positivistic epistemological
foundations of the original form of Grounded Theory, indicating that the Straussian
form of Grounded Theory shares more in common with post-structural paradigms than
with the original version.

Glaser’s response to the ‘rift’ with Strauss includes vigorous elaboration of the original
2005) specifically emphasizing that the end goal of the methodology is production of
parsimonious theory, or identification of a Basic Social Process. Although Grounded
Theory is inductivist, non-linear and dependent on an iterative research methodology, it
relies explicitly on specific procedural strategies to ensure development of theory \textit{rather than rich description} (see Glaser, 2001).

Epistemologically speaking this entails an objectivist goal, and for Glaser the inconsistencies and errors evident in the Straussian version of Grounded Theory meant Strauss and Corbin were ‘backing away’ from the epistemological intentions that underwrote the original methodology. That is, Grounded Theory is concerned with derivation of a theory, and this must emerge as a result of systematic and non-optional procedures. Based on these observations it can be argued Glaser’s position is subjectivist only in an ontological sense - via his commitment to an interpretivist theoretical stance, rather than epistemologically. The conflation of epistemological and ontological objectives in the Straussian re-formulation of Grounded Theory, for Glaser has seriously compromised the ultimately objectivist epistemological intent, and therefore the integrity of the original method.

The Glaserian version of Grounded Theory, on which this investigation is premised, is committed to objectivist epistemological and ontological assumptions predicated in the essential subjectivism of Interpretivism. Orthodox grounded theory does not challenge the social constructivism of symbolic interactionism because ontologically it \textit{is} subjectivist. For Glaser, these requirements of the original method must be rigorously maintained so Grounded Theory falls neither into the trap of extreme relativism (a danger of post-structural positions); nor at the other extreme should it become a martyr to the perils of data ‘forcing’ which over-dependence on positivistic prescriptions may exacerbate. ‘Forcing’ at the expense of emergent fit compromises validity, particularly in the case of exploratory research on novel phenomena like Best Value (Glaser, 1998).

\textbf{The Research Parameters}

Given the paucity of empirical research on Best Value in the Victorian context, this exploratory research depends on an inductive approach which allows the researcher to avoid preconceptions or prior ‘problematizing’ required in verificational research. Inductive approaches increase the likelihood of discovering hypotheses to inform further research. Prior to this however, according to Glaser, the researcher must move
into an area of interest with no problem but with the abstract wonderment of what is going on that is an issue and how it is handled.

As a newcomer to the field of public administration, I believed I came to this research with a naive disposition. Apart from leads formulated as aide memoirs based partially on analysis of two interview transcripts provided by my supervisor, the interviews generated stories of practitioner experiences of a new program of rule, Best Value. The research was not informed by a pre-conceptualized research question, or by hypotheses to be either verified or pre-empted, but by the following general aims. Firstly, I wished to elucidate main concern(s) of organizational development practitioners (ODPs) charged with the novel experience of implementing Best Value in Victorian local government authorities. Secondly, I aimed to identify how these concern(s) are negotiated and resolved by ODPs on a daily basis. The intent was to generate concepts, or a substantive theory which explains how participants resolve their main concern.

This claim of being a neophyte, in the domain of public sector research, is qualified by recognition that such naivety may readily function to obscure our cognisance of potential connections between old and new ways of knowing, thereby blurring critical reflection that might enable a researcher to develop a deeper understanding of new knowledge. This raises the issue of ‘embeddedness’ as discussed by Granovettor (1985). For example, his critique of the proponents of rational choice theory (the ‘new institutional economists’), addresses their failure to include analysis of sociological, historical and legal domains of argumentation in their construction of institutional origins as ‘an efficient solution to economic problems’ (1985:507).

Granovettor makes a case for renewal of the classical Weberian program in which economic action is seen only as a special, if important, category of social action given that all market processes are amenable to sociological, in addition to economic analysis. Sociological analysis reveals central, not peripheral, features of these processes, thus, ‘insofar as rational choice arguments are narrowly construed as referring to atomized individual and economic goals, they are inconsistent with the embeddedness position presented here’ (Granovettor, 1985:505-507). Despite claims to being a newcomer to public sector research, I do not go so far as abandoning such a Weberian program, being committed throughout the research to his recommended practice of verstehen – or
subjective interpretation of the social actors’ behaviour and intentions - in order to remain consistent with the position of ‘embeddedness’ as discussed by Granovetter.

**The Participants**

To achieve these aims, twenty four in-depth, semi-structured interviews (see Figure 3.1) were conducted with key organizational development personnel, and persons with the closest association with Best Value in a range of local authorities. Wide variation in titles for the ODP role can be identified in Table 2.1, which provides a general profile of the interview process - the key data gathering method for this research. Interviews lasted from about thirty-five to sixty five minutes, in a couple of instances taking longer. Interviewees came from eighteen of seventy-eight Victorian local authorities, representing a wide distribution across Victoria. In four of these authorities, up to two additional participants also involved with implementing Best Value contributed. This provided a broader perspective in specific authorities; for example, one interview with a CEO, and two with elected councillors who had served as mayors were made, as they were interested enough in Best Value to volunteer their time. In two shires interviewees included direct representation from operational service domains such as human service delivery, and the oversight of contracts for three small rural shires.

Of the eighteen authorities represented in the interviews, ten were rural shires distributed in all parts of Victoria. Two were inner metropolitan councils; four were metropolitan councils more than fifteen kilometres from the CBD, and two were located on the outer fringe of the metropolitan area including both rural and built-up constituencies. With many practitioners, I had on-going contact after the initial interviews were conducted at either Regional Network or Corporate Planners’ forums to which I was invited. My on-going email contact throughout the research with one participant, allowed me to get up-dates on current developments, and news of planning forums which I could not attend. Additional interviews with a recently retired councillor of more than ten years standing, and two terms as mayor, provided rich historical perspective. Table 2.1 provides a summary of the nature of contact, duration of interviews and geographical details of the local government authorities studied.

Protocols for selecting participants for grounded theory studies are inevitably compounded by the problem of replicability, an issue often not discussed with
qualitative research. Williams argues this is an ‘outcome of the unfinished methodological business of Interpretivism - specifically, whether it is, can or should be a nomothetic discipline’ (2002:128). He suggests this often translates into a search for interpretative validity, and as a concern for the authenticity of contextual understanding; recognising also that sometimes the possibility of generalisation is denied outright (see for example, Denzin, 1983; Guba and Lincoln, 1982). In such cases, the interpretivist never aims to draw randomly selected samples of human experience, and each instance of human interaction is viewed as representing a ‘slice from the life-world’ with layered meanings that may at times be contradictory (Denzin, 1983:134).

A grounded theorist would not go to this length of denial about generalisation, which Williams (2002) associates more readily with the anti-positivist revolution, and consequent abandonment of hermeneutics for the linguistic turn and text-centred approaches. The danger of doing so would mean ignoring ‘the cultural consistency necessary for agents to go about their daily lives’ (Williams, 2002: 138). The alternative suggested is *moderatum* generalizations to form the basis of testable scientific evidence, and to provide an adequate way of bridging the nomothetic-ideographic divide. Grounded theory research is directed to making just such *moderatum* claims, with participants for this research selected on the basis of a very general representation of Victorian local authorities according to convenience, size and geographical distance from the CBD. To this extent, the limits to generalisation implicit in such a selection lie as much in the domain of logical problems of inductive inference, as they do with the related problem of categorical equivalence.

Indeed, Glaser and Strauss themselves recognise the problem of generalisation in grounded theory raising ‘doubts as to the applicability of the canons of quantitative research as criteria for judging the credibility of substantive theory based on qualitative research. They suggest rather that criteria of judgement be based on generic elements of qualitative method for collecting, analysing and presenting data, and for the way in which people read qualitative analyses’ (1965:5). This is not to imply that Orthodox Grounded Theory is bereft of protocols which function to improve reliability of the *moderatum type* generalisations that such research lays claim to. These protocols played a significant role in determining how participants were selected throughout this
The first round of selective coding and the early emergence of the core category were based on analysis of interviews conducted in metropolitan councils. The primary generic element to ensure reliability of a Grounded Theory project is consistent application of the method of constant comparison. This is used to shift the data initially fractured in the course of open coding to higher levels of abstraction, as selective and theoretical coding proceeds to build a substantive theory. An example of how data is moved in this way towards higher levels of abstraction is provided in Appendix A. Accordingly the constant comparative method was applied as categories emergent in the early stage of analysis were subjected to further examination; with site spreading used to determine whether there were counter instances in other locales. To provide for the possibility of counter examples, the second round of interviews was conducted in primarily rural councils and shires. In addition, at this stage, method triangulation was introduced to further improve reliability by cross checking the selective codes emerging from the interview data, as I was invited to attend and began to observe and take notes in regional network meetings.

Empirical evidence documenting responses to reforms during the prior Kennett period, in the Victorian local government sector, indicates highly divergent responses ranging from compliance to outright rebellion - including cases of confusion, opposition and opportunism. For this reason it was supposed in this research that councils would respond in similar multifarious ways to the introduction of Best Value. For example, among twenty six councils studied by Martin during the CCT period, some successfully assisted employees in making the shift to outcomes oriented delivery of local services; others made much less progress still remaining focussed on traditional compliance-oriented culture of local government administration (Martin, 1999:1; see also Aulich 1997, in Chapman, Hayward and Ryan eds.; and Van Gramberg and Teicher, 2000). Martin concludes that such a range of responses is indicative that changes by fiat and edict in no way guarantee all councils will change in accordance with the state government’s intentions.
The variability in roles played by individual organisational development practitioners, CEOs and other staff in the organizations, further contextualised by historical precedents and geographical contingencies, suggested that similar outcomes were likely with the introduction of Best Value. In this sense, every local authority effectively represented a ‘slice from the life world’, (see Denzin,1983:134). From this standpoint in the very last count, there is no way to ensure selection of participants, as schematized in Table 2.1, would warrant that the outcomes of the present study provide a reliable basis for absolute generalisation. Silverman avers that “Broadly, many of the models that underlie qualitative research are simply not compatible with the assumption that ‘true’ fixes on ‘reality’ can be obtained separately from particular ways of looking at it” (2005:212). However, he also suggests this does not exclude the idea of using different data sets, and deploying different methods to improve reliability of the research, or for settling questions of validation by triangulation.

Glaser and Strauss recognise the problem of generalisation in grounded theory giving rise to ‘doubts as to the applicability of the canons of quantitative research as criteria for judging the credibility of substantive theory based on qualitative research’. They suggest rather, that ‘criteria of judgement be based on generic elements of qualitative method for collecting, analysing and presenting data, and for the way in which people read qualitative analyses’ (1965:5).

These generic elements are indicated as follows. As the first round of selective coding and early emergence of the core category were based on interviews conducted in metropolitan councils, the categories emerging at this stage of analysis were subjected to further examination using site spreading as a systematic mode for determining whether there are counter instances in other locales. For this reason the second round of interviews was conducted in primarily rural councils and shires to provide a point of contrast to the metropolitan authorities of early interviews. At this stage, method triangulation was introduced with attendance and observation at regional network meetings. The primary generic element of conducting Grounded Theory is consistent application of the method of constant comparison to shift the data, initially fractured in the course of open coding, to higher levels of abstraction as selective and theoretical coding proceeds towards building a substantive theory. An example of how data is
moved towards higher levels of abstraction is provided in Appendix 2. The stages of data collection and stages of analysis are represented in the following Table 2.1.
Table 2.1  Profile of Interviewees and their Local Authority

<table>
<thead>
<tr>
<th>Role/Dep’t.</th>
<th>Experience</th>
<th>LG Type</th>
<th>Contact</th>
<th>Int. Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Bus. Development Manager</td>
<td>&gt;5yrs</td>
<td>Inner City</td>
<td>Int. Transcript</td>
<td>35min</td>
</tr>
<tr>
<td>2. Bus. Development Manager</td>
<td>&lt;5yrs</td>
<td>Inner City*</td>
<td>Int. Transcript</td>
<td>40min</td>
</tr>
<tr>
<td>3. Coordinator Best Value</td>
<td>&gt;10yrs</td>
<td>Metro-Fringe</td>
<td>Int. &amp; RNM</td>
<td>50min</td>
</tr>
<tr>
<td>4. Org. Development Coordinator</td>
<td>&gt;5yrs</td>
<td>Inner City</td>
<td>Int. &amp; RNM</td>
<td>60min</td>
</tr>
<tr>
<td>5. Leader Change Management</td>
<td>&gt;10yrs</td>
<td>Metro-Fringe &amp; RNM</td>
<td>Int. &amp; RNM</td>
<td>45min</td>
</tr>
<tr>
<td>6. Corporate Systems Coordinator</td>
<td>&lt;5yrs</td>
<td>Middle Metro*</td>
<td>Interview</td>
<td>35min</td>
</tr>
<tr>
<td>7. C.E.O</td>
<td>&gt;10yrs</td>
<td>Large Rural</td>
<td>Interview</td>
<td>35min</td>
</tr>
<tr>
<td>8. Director Corp. &amp;Community Services</td>
<td>&gt;5yrs</td>
<td>Large Rural*</td>
<td>Interview</td>
<td>35min</td>
</tr>
<tr>
<td>9. Manager Community Services</td>
<td>&lt;5yrs</td>
<td>Large Rural*</td>
<td>Interview</td>
<td>25min</td>
</tr>
<tr>
<td>10. Current Councillor, Ex-Mayor</td>
<td>&gt;10yrs</td>
<td>Medium Rural</td>
<td>Interview</td>
<td>50min</td>
</tr>
<tr>
<td>11. Org.Devlopt. &amp; Governance Officer</td>
<td>&lt;5yrs</td>
<td>Middle Metro</td>
<td>Int. &amp; RNM</td>
<td>55min</td>
</tr>
<tr>
<td>12. Program Review Coordinator</td>
<td>&gt;5yrs</td>
<td>Medium Rural</td>
<td>Int. &amp; RNM</td>
<td>70min</td>
</tr>
<tr>
<td>13. Program Review Coordinator</td>
<td>&gt;10yrs</td>
<td>Outer Metro</td>
<td>Int. &amp; RNM</td>
<td>60min</td>
</tr>
</tbody>
</table>

NB. If more than one interview occurred in a LGA this is indicated by an asterisk* (identified consecutively). RNM = Regional Network Meetings; CPM = Corporate Planners Meetings (both forums allowed for ongoing contact).
Table 2.1  Profile of Interviewees and their Local Authority (ctd)

<table>
<thead>
<tr>
<th>Role/ Dep’t.</th>
<th>Experience</th>
<th>LG Type</th>
<th>Contact</th>
<th>Int.Dur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Assistant to CEO</td>
<td>&lt;3yrs</td>
<td>Small Rural</td>
<td>Interview</td>
<td>35min</td>
</tr>
<tr>
<td>Manager Org. Development</td>
<td>&lt;5yrs</td>
<td>Small Rural*</td>
<td>Interview</td>
<td>45min</td>
</tr>
<tr>
<td>Strategic Manager</td>
<td>&gt;10yrs</td>
<td>Rural City</td>
<td>Int. &amp; CPM</td>
<td>60min</td>
</tr>
<tr>
<td>Manager Contract Services Group</td>
<td>&gt;10yrs</td>
<td>Small Rural</td>
<td>Interview</td>
<td>50min</td>
</tr>
<tr>
<td>Legislation Compliance Officer</td>
<td>&gt;10yrs</td>
<td>Large Rural</td>
<td>Interview</td>
<td>50min</td>
</tr>
<tr>
<td>Best Value Coordinator</td>
<td>&gt;5yrs</td>
<td>Large Rural</td>
<td>Int; RNM, Email</td>
<td>50min</td>
</tr>
<tr>
<td>Corporate Planning Coordinator</td>
<td>&lt;5yrs</td>
<td>Large Rural</td>
<td>Int. &amp; RNM</td>
<td>50min</td>
</tr>
<tr>
<td>Coordinator of Service Planning</td>
<td>&gt;10yrs</td>
<td>Large Rural</td>
<td>Int. &amp; RNM</td>
<td>55min</td>
</tr>
<tr>
<td>Manager Service Performance</td>
<td>&gt;5yrs</td>
<td>Large Rural*</td>
<td>Int. &amp; RNM</td>
<td>60min</td>
</tr>
<tr>
<td>Corporate Planner</td>
<td>&gt;10yrs</td>
<td>Outer Metro</td>
<td>Int. &amp; CPM</td>
<td>55mins</td>
</tr>
<tr>
<td>Councillor, Ex-Mayor (X 2 terms)</td>
<td>&gt;10yrs</td>
<td>Large Rural</td>
<td>Int. &amp; Phone</td>
<td>120min</td>
</tr>
</tbody>
</table>

Interviews 14-24 from July, 2005, to August 2006, with Aide Memoir 3 - Transcription and third stage analysis complete.

NB. If more than one interview occurred in a LGA this is indicated by an asterisk* (identified consecutively). RNM = Regional Network Meetings; CPM = Corporate Planners Meetings (both forums allowed for ongoing contact).
Triangulation by Observation

In addition to more than twenty hours of in-depth interviews, much data was gathered by means of casual conversation when, after the first stage of interviewing, I was invited to attend Regional Network Meetings. These occurred at around three monthly intervals, and I attended three in the course of the research. Representation from between twelve and fifteen LGAs, including ODPs from additional local authorities, to those represented in Figure 3.1, were present. These meetings were minimally half day affairs with good lunch and tea breaks allowing for much access to casual conversational exchanges both as a listener and a participant, to add to my observations of the meeting process. I could discuss points of clarification as many of those already interviewed were present (see Nature of contact in Table 3.1).

These meetings were followed up with meetings of the state-wide Corporate Planners Network, which I was invited to attend on two occasions. These included representation from up to sixty LGAs. Notes were taken during meetings, and stored as observational records, providing additional possibilities for cross-checking with information from the interviews, and contributing to saturation of emergent categories in later stages of the research. These meetings also provided opportunities to talk informally with representatives from the Department of Victorian Communities. Finally I was invited, in September, 2006, to attend the official launch by a Best Value Commissioner of the new directives for the Best Value Program which entailed A Whole of Organization Response to Best Value, at a whole day seminar in regional Victoria.

The Research Process

Glaser sets out ‘clear, extensive procedures’ as well as ‘a set of fundamental processes that need to be followed’ (2003:5) if studies are to be ‘recognized as a product of Grounded Theory methodology’. In brief, there must be evidence of concurrent collection, coding and analysis of data; consecutive application of three forms of coding - open, selective and theoretical; use of the method of constant comparison; and application of theoretical sampling which incorporates an essentially deductive procedure into the otherwise inductive research design (Glaser, 2001:225). These
procedures must be used in conjunction with ‘memo-ing’, category building (including development of the properties associated with each category) and densification.

At this point, core categories can be identified and subsequently delimited before the final writing up of the substantive Grounded Theory. Application of these procedures is articulated in Chapter Three in conjunction with the first round of analysis or pilot study to illustrate their application throughout the research. This chapter is supplemented by Appendices A and B, which together illustrate the progression from raw data to theory resulting from theoretical sampling which ‘is the process of data collection for generating theory whereby the analyst jointly collects, codes, and analyses his data and decides which data to collect next, and where to find them, in order to develop his theory as it emerges’ (Glaser, 1978:36).

Morse (1994), Locke (2001), Van Maanen (1988), and others such as Strauss (1987), argue Grounded Theory is the most appropriate method to use when the phenomenon or events investigated involve process as with this project which aims to understand the managerial complexities and nuances of the transitioning from compulsory competitive tendering of The Contract State (see Alford and O’Neill, 1994)) to Best Value principles in Victoria. As a valid methodological pathway for elucidating and ‘linking of sequences of actions/interactions as they pertain to management of, control over, or response to a phenomenon’ (see Strauss and Corbin, 1990:43) Grounded Theory provides systematic evidence on how Best Value has been ‘taken-up’ in local authorities, thereby addressing broader theoretical issues such as Hood’s (1995) concern with the extent to which changes in public sector management can be represented as convergence towards a new global management paradigm.


Without question, some international parallels to changes taking place in the Victorian public sector at local government level are indicative of paradigmatic shifts in Management Theory as discussed in Chapter One. However, there are few empirical accounts of the practical impact of ‘managerialism’ on local government, particularly in Britain, Australia and New Zealand. Despite this, the global convergence thesis is
maintained by Osborne and Gaebler (1992:325ff), and others such as Aucoin (1990:134) who imply historical inevitability for the ascendance of a ‘global paradigm’ for public sector management.

Although the extant literature provides a somewhat unreserved commentary to this effect, there is a need for caution; and, according to Hood even for ‘scepticism’ about claims of ascendant new global paradigms in public management’ (1995:105). Indeed, Hood provides a persuasive case against the claims for historical convergence, and a new global paradigm which he says ignores the very different and typically ‘path dependent’ local political agendas to which contemporary public management changes are responding (1995: 106).

From a comparative perspective, further justifying the selection of Grounded Theory for this study, every case of public sector reform (and attendant change in service quality) is in the last count a captive of external legislative contexts. However, programs of rule such as Best Value shape, and are shaped by, local contingencies, strategic policies and cultural environments; all factors with which this research is concerned. In Victoria, as in the rest of Australia, local government is the outcome of an ongoing set of inherited, but continually adapting, practices and provisions including the most recent addition of Best Value to the modernization agenda.

Given the relatively circumscribed power of local government authorities, and their operation within a formidable set of logistical constraints, partially determined in Federal and State government forums, in Australia, Hood’s critique of the convergence thesis (1995) is compelling. Yet, the jury is still out, and the pull of convergence theories means they remain both popular and persuasive (see Osborne et al, 1992; Aucoin, 1990), and even more recent revivals in the works of international scholars of public administration including Hughes, 1998; Kettl, 2000; and Lane, 2000. Empirical investigation is required to identify whether counter examples exist; accordingly, one question posed by this study is to what extent do ‘path dependent’, local political agendas and cultural idiosyncrasies militate against convergence? Victoria may provide a useful case study because of some idiosyncratic historical contingencies briefly outlined here.
Firstly, in terms of global timeframes, Victoria was tardy in adopting new management principles, compared with Britain and New Zealand. Best Value principles were first mooted in the United Kingdom in 1997 and phased in there more gradually than in the Victorian case. Secondly, Victoria is distinctive because of the peculiarities of the local government system which has evolved with little real autonomy in terms of what Pettigrew (1987) would refer to as ‘outer contexts of an organization’. Finally, the manner in which New Management principles were adopted in Victoria during the 1990s, sets it apart from other local government domains, in Australia, at least. Martin (1999) says, in Victoria, reform was carried out by ‘fiat and edict’ and was highly directive. Johnstone and Kiss (1996) characterized the Victorian case as the most ‘proactive’ in Australia, because of the rapidity of boundary reform, rate cuts and the closely regulated implementation of minimum standards for compulsory competitive tendering expenditure.

Given such distinctions, exploratory research using grounded theory methodology in the Victorian case provides a valuable context for generating insights about adoption of Best Value, for comparative purposes to study the transition from CCT to Best Value; and in order to examine the convergence thesis. The rapid adoption of Best Value principles in Victoria, given the stringency of the prior reform regimen, may generate significant insights when compared with for example the British case. For instance a study of the City of Moreland (formed by amalgamation of two inner north-western municipalities of metropolitan Melbourne, in 1994) ascertained that negative and unintended consequences were an outcome of the relatively draconian CCT period prior to the take-up of Best Value. Based on telephone interviews with CCT managers from 20 of Victoria’s 26 metropolitan councils, the study indicates that emphasising compliance rather than performance, during this period, negatively impacted on transforming public administrators into ‘new public mangers’ (Van Gramberg and Teicher, 2000: 490). This challenges assumptions of convergence theorists who imply the transition to new managerial values is relatively easy, inevitable and straightforward.

The need to investigate unintended consequences of change in programs of rule and how this impacts on service delivery is further justified and supported by Jones in a longitudinal analysis of management of public spaces, by urban local councils, in the
United Kingdom. The case provides an instructive example of how theoretical insights may be generated by research on practitioner responses in a transitional context using a grounded theory approach. Jones found service quality should be understood ‘as a dynamic concept’ rather than as a finite construct, as it is impacted on by both the outer (legislative and sectoral), and inner (organizational) contexts of ‘evolving reform scenarios’ (2000:19). On the basis of practitioner experience of those implementing the reform, service delivery is re-conceptualized as fluid rather than fixed; and evolutionary rather than immutable. Together such empirical studies support the value of selection of the interpretivist paradigm, and use of grounded theory methodology as scaffolding for this research.

In addition, Jones’s (2000) study of managing public spaces in Britain provides empirical support for conceptualizing the changes in New Public Management in terms of an ideal-typical construct such as that put forward by Alford and O’Neill (1994), who provide a heuristic representing Victoria as transitioning to a ‘contract state’. Jones documents how social actors as both mediators of the reform process, and subjects of unintended consequences of prior ‘hostile legislation’ associated with the ‘contract state’ manage to ‘resolve’ the unintended consequences of one project of rule, as they transition from one reform agenda to the next. Their pro-activity represents a powerful rider on the ‘inevitability’ of the universal convergence thesis suggesting a more cautionary tale may need to be told.

Importantly, Jones’s study demonstrates ‘service quality has found its application within a transitional context which has moved from traditional management, to compulsory competitive tendering, to best value in the period since 1988’ (Jones, 2000:30). By providing a sense of what this actually means for social actors implicated by changing projects of rule grounded theory methodology provides valuable insights concerning the veracity of claims of a shift away from traditional bureaucratic models, as well as a benchmark for examining strong statements about the imminent demise of progressive era public administration models still popular in several OECD states.

In exploring theoretical issues related to the convergence thesis, redress is needed for the plethora of verificational studies conducted on management issues to identify the role of individual agency and organizational learning in how new projects of rule are
adapted to and taken up. A dearth of case studies in the Victorian context (and Australia wide), suggests the need firstly for conceptualizing the ‘nature’ of transitional stages; and secondly, for clarifying how these stages are interrelated with each other as they are mediated by the social actors concerned to shape service delivery and quality. To achieve this, a fundamentally inductive research design is appropriate.

Inductive Research Design and Accommodating Process

By definition inductive research design starts with understanding events, phenomena and processes in the everyday experience of individuals engaged in implementing Best Value reform. By elucidating contextual conditions, causes, strategies, and behavioural reactions - this research aims to identify the consequences for, and reactions of participants to a new, externally imposed, project of rule. If service quality is a dynamic phenomenon as Jones (2000) suggests, then it should be conceptualized in a manner to account for this, thereby allowing for significant departure from many assumptions of the New Management Paradigm. Does the experience of practitioners with Best Value suggest a need to re-conceptualize service quality in ways that challenge the predilection for benchmarking, and other zero sum measures of quality assurance and performance dimensions of public sector performance that Boyne and Enticott (2004) express disquiet about; as well as the focus of much research on public administration?

Application of service quality as such, cannot be fully understood if divorced from the impact of ‘contextual, historical and political legacies on which it is constructed’ (Jones, 2000:30), or from the social mediations of these contextual factors. This represents a divergence from assumptions of a market model about competition, cost and effectiveness informing management of CCT prior to the introduction of Best Value. As Best Value, both in Britain and Victoria, is not implemented ‘tabula rasa’, recognition is required that the assumptions of a project of rule are ‘real’ in their consequences, becoming an integral part of the world view of the purveyors of each subsequent program.

Strauss and Corbin point out that Grounded Theory enables researchers to shift their focus from analysing data for properties and dimensions (the focus of much empiricist management research) - to looking at action and interaction. ‘By tracing this over time,
how, and if it changes, or what enables it to remain the same with changes in structural conditions, can be noted’ (Strauss and Corbin, 1998:163). This allows us to build necessary dynamic and a temporal dimensions into studies of implementation of Best Value, while remaining committed to Jones’s (2000) notion that service quality should not be conceptualized as a static phenomenon.

Strauss and Corbin point to a range of structural conditions providing context for public sector research. These extend from situations in which changes in conditions may be ‘anticipated, planned for and predicted’, to contingency situations where changes occur unexpectedly and require on the spot problem solving (1998:163). If we accept this position many questions predicated on how practitioners resolve daily concerns confronting them in implementing the Best Value agenda in Victoria are raised. This includes consideration of how legislative, historical and cultural constraints (and indeed in the Australian case, geographical contingencies) impact on management, with respect to both outer and inner organizational contexts.

Questions informing this research

Within this broader contextual framework, further ‘sub-questions’ also require urgent examination such as:

- Do local factors facilitate or impede implementation of Best Value?
- What methods, if any, are used in local authorities to evaluate and or ‘evidence’ Best Value?
- Is there consensus about how Best Value is construed in local authorities?
- Have unintended consequences of CCT, the prior program of rule, impacted on implementation of Best Value?
- Did the transition from CCT to Best Value cause changes to organizational structure and culture?
- Has community involvement improved as a result of the Best Value agenda?
- Is there real opportunity for exercising community discretion with the implementation of Best Value?

The ‘domain’ of such questions is vast, demanding research strategies that enable the researcher to make sense of the data and address additional questions it generates (just as ‘mediators’ of the reform program need strategies to deal with contingencies as they confront and resolve them). Rich description alone based on an ethnographic approach will be insufficient to provide theoretical insight on issues such as whether changes to
public sector management are universal, inevitable and convergent. The Glaserian Grounded Theory approach enables us to examine and model processes in local government authorities, without compromising dynamic aspects of constructs like service quality, or reform more generally in the following manner.

**The Basic Social Process**

The Glaserian approach simultaneously accommodates the theoretical and methodological issues identified so far in this chapter through identification and elucidation of the Basic Social Process in any given context. By starting with an ‘area of interest’ (signified in this project by the questions listed above), and without prior perceptions of the concerns and problems of the participants, the Basic Social Process and / or core category become apparent as problems and their continual resolution by the participants, emerge from the data (Glaser, 1996: xiii). This is contingent on careful application of the coding procedures, memo-ing and other requirements of Grounded Theory outlined earlier in the chapter. Verification is achieved by use of constant comparison to delimit emergent grounded constructs further so as to demonstrate how sub-core categories and properties are related to the core category, or Basic Social Process.

Bigus discusses important properties of Basic Social Processes which are ideally suited to understanding how practitioners implement Best Value to improve service quality and delivery. Accordingly, a Basic Social Process must account for change over time, it may occur under differing specific conditions in regard to time, context and substantive area; and it should account for the most variation in regards to the specific sociological problem at hand (see Bigus (Ed.) in Glaser, 1996:14). These attributes offer a counterpoint to flaws detected by Boyne (2003) in a large sample of quantitative research designs, directed to identifying methodological strategies to improve the research agenda on public service administration.

Boyne’s (2003) meta-analysis underscores the predilection of researchers to use ‘measurable’ dimensions of service quality as the basis for identifying the most effective strategies in achieving public service improvement. Despite the number of studies aimed at determining the impact of a range of ‘measurable’ variables on
administrative effectiveness, validity remains a serious issue. Boyne concludes resources and management emerge as the most consistent variables influencing performance; but argues ‘statistical results for the other theoretical perspectives are thin and/or contradictory’ (p390). He advises reformers to ‘leave aspects like regulatory arrangements, organizational structure, size and market structures as they are’, adding ‘changes to these are like a shot in the dark and could equally lead to poorer rather than better performance’ (p390), cold-comfort for prospective reformers, policy makers or practitioners alike!

Gaps in the research agenda cannot be fully addressed within the confines of the positivist paradigm, as Boyne demonstrates. Glaserian methodology sensibly side-steps this theoretical cul-de-sac. It does this through avoidance of the serious consequences of ‘forcing’ on verification research (Glaser, 1968, Ch.6). In an era of research based policy making, preoccupation with the frequency and distribution of pre-specified variables relating to public sector change may not be helpful; whereas identifying the Basic Social Process minimally provides grounds for delineation of the conditions under which changes occur, and variants of these conditions, which may be productive both academically and pragmatically. From a Glaserian standpoint, delineation of conditions under which such processes do not occur may also be of equal or greater importance.

**Sensitizing Concepts**

A related way of addressing tensions stemming from the theoretical and methodological concerns discussed above is reconsideration of the role of ‘sensitizing concepts’. Initially refined on the basis of twenty years of scholarship by Blumer (1931), the sensitizing concept for symbolic interactionists is the prime means of theoretical shaping, by way of ‘on-going, flexible, shifting examination of the empirical field’ (Blumer, 1973:768). Sensitizing concepts provide a key to bridging the gap between theory and research practice, consistent with the ontological position of interpretivists that individuals persistently act to shape and reshape their environment, even within seemingly ossified institutional contexts such as prisons, asylums and bureaucracies.

If ‘the individual often massages the rules to fit local or interpersonal settings, the social order is not static, but is fluid and is endowed with meaning that emerges from its
constituent elements’ (van den Hoonaard, 1997:13). Sensitizing concepts provide a starting point for exploring a class of data of which the social researcher has no definite idea providing initial guidelines for initiating research. Invariably as ‘such concepts usually are provisional’ they may be dropped as more viable and definite concepts emerge (van den Hoonaard, 1997:2). Sensitizing concepts contrast radically with the definitive concepts typically ‘driving’ the management research on public sector improvement like that examined by Boyne (2003). Importantly, they do not create closure during the research, which for Blumer (1969, 1973) was valuable in studying empirical and temporally situated instances with which this study is concerned.

Highly provisional concepts are used throughout this research. As analysis proceeds some concepts were abandoned as they became redundant, or were re-conceptualized in the light of new findings as interviewing proceeded. This will be apparent for example when comparing the thematic conceptualizations of Chapter Three (melding, welding, reviewing and renewing) with the final parsimonious theory and ‘outcome’ of the research elaborated in Chapter Four as The Alchemic Life-Cycle. It can also be verified by reference to Appendix A, which exemplifies how, in deriving a category from the data, the initial open codes become more abstract as the Glaserian coding paradigm is applied and raw data is conceptualized at progressively higher levels as analysis and further data gathering proceed.

In this project, after the pilot analysis of the first five interviews, the core category Practicing Alchemy was apparent; but only with subsequent phases of interviewing and analysis did emergence of properties and sub-properties and Basic Social Process (BSP) become evident, supporting densification of the BSP as The Alchemic Life-Cycle.

Denzin strongly endorses the use of sensitizing concepts for dealing with distinctive features of empirical reality as they demand an intimate familiarity with the empirical world and dictate a sensitive awareness of negative cases by forcing judicious collection of illustrative instances (1977:49). Sensitizing concepts are compatible with the requirements of the constant comparative method (van den Hoonaard, 1997: 30) used by Glaser as the primary means for identifying the Basic Social Process and core category.
The sensitizing concepts melding, welding, reviewing and renewing emerging from the first stage of analysis in this research can be viewed as a starting point for further analysis (see Chapter Three). As Hammersley and Atkinson say sensitizing concepts represent ‘the germ of the emerging theory’ (1983:180) which enabled the researcher to keep concurrently engaged in subsequent data gathering, and stages of analysis, preventing the research from becoming derailed because theory and practice become divorced from one another.

**Location of the Literature Review**

The literature review plays a different role in an inductive research design than in verificational research. As the current project is not concerned with verification or theory testing, Chapter Two draws on the extant literature pertaining only to my selection of Grounded Theory as a method, and of relevance to the theoretical and methodological issues emerging as the research was underway. While processing the data, I was confronted with many theoretical and methodological challenges and resolved these by drawing on literature appropriate for negotiating the dilemmas entailed.

For example, the issue of methodological slurring became very problematic at one point of my analysis, forcing me to re-process the rules of orthodox Grounded Theory, and consider whether narrative method and a different epistemological orientation would provide a better framework for analysing the data I was gathering. This challenge in many ways represented a direct ‘subjectification’ of the debate between the founders Glaser and Strauss, on the proper form of the Grounded Theory. The serendipitous outcome of negotiating this methodological dilemma was a published paper representing my resolution of this challenge (see Bryant and Lasky, 2007); and, a clearer understanding of the orthodox (Glaserian) form of grounded theory methodology.

As this project is neither concerned with strictly hypothetical-deductive procedures, nor nomothetic outcomes, the research outcomes are situated with respect to other relevant findings and the extant literature primarily in Chapter Nine, Literature Comparison, Discussion and Implications. This is in keeping with guidelines provided by Glaser
(1978) who provides the following rationale for use of the extant literature in a Grounded Theory project. Firstly, reading in the substantive area should actually be withheld until the first draft of the thesis is written. Only ‘during data collection, coding, memos and sorting of memos, the analyst should read in other fields so as not to pre-empt his thought regarding the significant variables in the substantive area under research’ (Glaser, 1978: 139).

Secondly, at the point of reworking the draft, the extant literature should be drawn on and integrated into the analysis whether for purposes of conceptual clarification, or as the writer begins to compare his or her work with others and weave insights of theoretical relevance from the substantive literature into the analysis. This is done with an eye to comparison in order to make more properties evident, or to provide a better view of differences and similarities, rather than with the purpose of describing what other researchers have said as one would in a conventional literature review.

### Methodological Concerns and Ensuring Data is Robust

As discussed previously, the issue of whether it makes sense to apply classical criteria for replicability in quantitative research to qualitative research is a beleaguered one. For example, Luders and Reichertz suggest that ‘the “notion of reality” in both streams of research is too heterogeneous’ (1986:97) to do so. In their earliest work, Glaser and Strauss also challenge the applicability of canons of quantitative research as criteria for determining the credibility of substantive theory based on qualitative research (1965:5). Indeed, Flick suggests that what are thought of as ‘method-appropriate criteria’ including triangulation and analytic induction, are the consequence of this scepticism, emerging to replace criteria like validity and reliability in qualitative research (2002:226).

Methods are always indicated by the research paradigm selected, in addition to the significant theoretical and methodological issues addressed in this chapter. Dingwall points to two central methods for any social scientific investigation: one he calls ‘asking questions’ and the other ‘hanging out’ (in Miller and Dingwall, 1997:53). He suggests ‘hanging out’ has undergone less systematic refinement than the interview as a technique for generating data, arguing in recent years observation has been relatively
neglected due to contingencies such as lack of sponsorship, and because interviews are perceived as being a cheaper and quicker alternative for sourcing primary data; also cautioning that ‘Other qualitative methods generate problems of validity and reliability which are so fundamental that the neglect of observation, and its proxies in direct audio- and video-recording, fatally undermines many of the conclusions that are alleged to have been drawn’ (Miller, et. al. 1997:55). To this end, observation was carried out in this research in a range of interactive contexts with representation from a far wider range of personnel directly or indirectly engaged with the implementation of Best Value than those selected for interviews.

In-depth informal interviews using audio-records were conducted along with extended periods of observation and note-taking with all interviews transcribed and coded by myself, and analysed in three main stages. This was done on a sentence by sentence basis in the initial open coding phase, with due care given to maintaining the anonymity of the participants in recording, transcription and coding of the data.

The method of constant comparison, in conjunction with triangulation of data gained using the dual methods of observation and in-depth interviews, amounts to what Denzin (1989:237-41) distinguishes as validation via data triangulation. This refers to the use of different data sources - as distinct from use of different methods – to generate data, and represents one pathway for addressing validity issues that may compromise qualitative research. Representativeness, for example, for this research was compromised due to organisational development personnel from only twenty four of seventy eight local government authorities in Victoria being interviewed in-depth. However, in other forums such as meetings of LGPro (Local Government Professionals), and at the launch of the Review of Best Value, data was mined from exchanges and interactions of key personnel from up to sixty local authorities from across the state, meaning data triangulation provides a more robust basis to inform the analytic induction process - a further method appropriate criteria for addressing issues of reliability in qualitative research - and the reliability of this research (see Flick, 2002:226).

Denzin (1986:237-41) further distinguishes between the ‘sub-types’ of data triangulation, in a manner that, according to Flick (2002:226), is closely allied with
Glaser and Strauss’s strategy of theoretical sampling, suggesting that the phenomena of concern are studied at different places, on different dates, at different times and with different persons. In this study delimiting the study, ensures these protocols are attended to, and indeed the choice of local authorities for each stage of data collection via the in-depth interview strategy is based on protocols that drive the process of constant comparison – see for example the questions that are derived from the outcomes of the analysis of the first round of interviews in the following chapter.

To ensure validity with Grounded Theory, Glaser also alerts us to the dictum that ‘all is data’ (1998:8), accordingly ‘preconceiving’ what is data, will interfere with the generative attributes of Grounded Theory methodology thus diminishing the theory. Thus, we are urged to distinguish between different types of data. Firstly, Glaser labels as ‘baseline’ data, the best description a participant can offer. This is distinct from a second type of data designated as ‘properline’ which includes what participants think it is suitable to tell the researcher - participants in this instance may have ‘no stake in correct description, only incorrect distortion’ (1998:9). Thirdly, interpreted data is characterized as that mediated by a professional to ensure others see the data in their preferred professional mode which may nevertheless distort the normal way of seeing it. Finally, the situation where the participants ‘vague out’, is mentioned as a likelihood when participants have no stake in telling the researcher anything whether because concealment is called for, sheer recalcitrance, or because of requirements for confidentiality.

Interviewing was approached, and transcripts coded and analysed with these attributes of data in mind. The genuine commitment of the organizational development practitioners to the interview process, together with the candid nature of their comments about Best Value, left me reasonably comfortable that the data generated by this method was essentially ‘baseline’. However, the possibility of conducting many hours of observation, through my participation at Regional Network and Corporate Planning forums, provided opportunity for an alternative data source, and for some triangulation of methods (see Denzin, 1988) for crosschecking information with the data obtained in interviews.
In addition to the primary sources used, ample secondary data resources were available electronically and websites supporting the local government network in Victoria were accessed, along with several publications on Best Value made available to me by organizational practitioners. Method triangulation improves validity of research outcomes, particularly with qualitative research. Use of a range of data sources, both primary and secondary, is useful for verification purposes.

With respect to the interview process, the idea of the research interview as social account is significant. Garfinkel used the term account in the context of ethnomethodological research, challenging the boundaries of the positivist paradigm used traditionally in sociology at that time. As a method ‘focusing on activities whereby members produce and manage settings or organized everyday affairs identical with members’ procedures for making those settings accountable’ (Garfinkel,1967:1) the interview is itself understood as a social account. The products of the interview are regarded as outcomes of a socially situated process whereby responses are mediated via both the role playing, and the impression management, strategies of each party involved.

Whether interviewer or respondent, we must remain mindful that even the most unstructured interview - although it may present like a conversation - is not a conversation. For the purposes of this research however, interviews were kept as informal and as conversational as possible. An ‘aide memoir’ was constructed (see Appendix B, 1) to support the interview process should it stall, but was used as a scaffold rather than as a ‘schedule’ - being kept to one side, or only occasionally glanced at throughout the interviews.

**Methods**

As interviews do not exactly replicate real conversation we must assume interview data does not provide us with a ‘literal’ description of the respondent’s reality. Even real life accounts we receive in our interactions with others are always a mixture of fact and ‘representation’. Being mindful of these qualities of data the researcher must let the data emerge, and as the overlay of different forms of data is sorted out, we inductively arrive at ‘meaning’ as it is situated in the substantive field. As Glaser says ‘data can
vary from factual descriptions to airy ungrounded conceptualization. It is often a mix’ (1998:9). ‘Memo-ing’ occurs as we gather our data building awareness of the complexities of data as representation; and, brings recognition of potential for rifts between reality and participant constructs of reality, for the researcher. Using different ‘types’ of data helps us become aware of such rifts.

Mindful of Glaser’s caution on how data is treated, the interview was the key method used for gathering data in this research, as it is compatible both with the constructivist epistemological assumptions of the interpretivist paradigm; and, the mediation of symbols and meanings integral with symbolic interactionism. Importantly too, it does not counter-indicate the realist ontological persuasions of orthodox Glaserian Grounded Theory.

This observation brings the debate between orthodox Grounded Theorists and those with more post-structural orientations like Charmaz (2000) full circle. Poststructuralists generally see a very close marriage between ontology and the final research product. Despite this, as Crotty argues ‘The existence of a world without a mind is conceivable. Meaning without a mind is not. Realism in ontology and constructivism in epistemology turn out to be quite compatible’ (1998:11). This is possible because, potentially, interviews represent a point at which order is deliberately put under stress. Social accounts function to tap reality in which ‘at any point there may be a disjuncture between actions, responses, and expectations which requires that the parties engage in some sort of repair work’ (Dingwall, in Miller et al; 1997:56).

In-depth, unstructured interviews provide valid tools for documenting practitioner ‘accounts’ of Best Value in Victoria, by furnishing insights about how the fabric of order is maintained. They also enable identification of how order is restored by social actors when it is not infrequently under duress. Interviews provide a means for iterating between the research ‘product’ and the research process. Without exception participants in this research agreed to being re-interviewed at a later stage, and answered questions that arose from interpreting the data allowing for such iteration. Some maintained email contact throughout the project adding to the possibility of informal exchange at Regional Forums which provided me ample opportunity to question further, and seek points of clarification.
As Grounded Theory is predicated on the method of continual comparative analysis, research for this dissertation proceeded in a number of stages. After each stage of data collection coding, analysis and memo-ing took place. The aim of this cyclical approach to data collection and analysis is to identify themes, concepts and patterns which are grounded in the reality of the participants that in turn provide foundations for an emergent theory which the study aims to generate. At each stage of data collection, further coding takes place, and as an outcome parameters are set for the ensuing phase of investigation.

**Analysis and the Coding Spiral**

Glaser suggests secondary data sources are abundantly available, because in routine research often far more data is generated than is required. Such data can become part of the analytical inductive cycle. My research started with analysis of two pre-existing interview transcripts made available by my supervisor to provide some guidelines for the initial interviews. These transcripts provided a baseline and were later subjected to open coding along with other early interviews initiating the Grounded Theory process. I also read widely from government Websites to gain a fundamental understanding of the legislation and alteration of the Local Government Act to incorporate Best Value.

From this point as data gathering and analysis proceeded, open coding was followed with selective and theoretical coding to move the outcomes closer to substantive theorizing. To maintain an audit of this process incident cards were used as a sorting mechanism, and to establish the relationships between conceptual categories and themes (see Martin and Turner, 1986). Chapter Three along with associated appendices provides further detail. This chapter concludes with some reflection on the limitations of the research which must be situated alongside the methodological and theoretical issues already considered.

**Limitations of the Research: the problem of ‘embeddedness’, and how it impacts validity, reliability and generalization**

Firstly, a clear espousal of the researcher role and potential for researcher bias is addressed, as value orientations should be openly declared with any research. However,
values should not necessarily interfere with opinions which are properly supported in an objective factual manner. For that reason, this chapter concludes with some comment on the researcher’s background in a different sphere of public sector delivery, namely education, and reflection on how this influenced the current research, as choice of topics is frequently driven by our immediate experiences and interests, and this is consistent with Glaser’s comments that much Grounded Theory research overlaps with ‘life cycle interests of the authors’ (1996: pxi).

My interest in this project stemmed indirectly from participating in public education as an educator, for over three decades in two OECD countries. Although education differs as a public good qualitatively from the services offered by local governments in Australia, it shares a concern with service delivery. Bound by quite similar duties orientations to those implicit in the Best Value principles, in a foundational sense, liberal education is concerned with developing civic values and citizenship and examining the philosophical roots of a just society. The rise of managerialism during the 1990s, and initiatives of New Public Management impacted both on my role as a teacher in the TAFE and Higher Education sector, and as a determinant in the framing of curriculum. More recent exposure to the national institutional quality audit of universities (AUQA) makes it disingenuous not to acknowledge many parallels between reform agendas in both education and local governance sectors.

As with local government, education has been subjected to the changing tides of public choice theory, recapitulated in New Public Management rhetoric of efficient and effective service delivery. Similar to local Councils during the 1990s schools, universities and tertiary colleges were subjected to amalgamations (see for example Coaldrake and Stedman, 1998) directed toward producing economies of scale. These changes occurred in a general context of massive funding cuts and of overall increases in student numbers particularly in the higher education sector. As universities have had to increasingly rely on self-generated revenue, intake of overseas students has increasingly meant reliance on international student dollars to balance budgets. The discourse of ‘user-pay’ and client-provider splits is common to both sectors, and drives the imperative for intense scrutiny on matters of public accountability.
The impact of these changes in the tertiary sector, where I am currently employed, undoubtedly parallel the impact of New Public Management initiatives and their accompanying rhetoric in local government. Audit attempts in education are beset by similar issues and complexities as evaluation is in local government. Given this background, issues emerging from my analysis of the interviews, in conjunction with the extant literature on local government presented me with few real surprises.

Having observed and ‘worn’ the often negative fallout of the massification of Higher Education including increased student-staff ratios in the classroom, since the early 1990s, it is appropriate to declare a value basis for my interest in examining the role and impact of New Public Management initiatives in reform and modernization of local government. The wish to assuage my curiosity about the assumptions of public choice theory and how they inform public sector change has undoubtedly been a prime motivator in conducting the research, generating in the course of the project an unflagging novel interest in the domain of community governance.

That said, despite parallels between the two sectors, I would argue regardless of many years involvement in the education, as a researcher I came naively (and courtesy of the public good, by way of funding!) to a sector of which I had little experience, other than as a citizen of the general polity. My initial attraction to the research was the opportunity to apply a particular research approach, namely Grounded Theory; but I rapidly discovered a real enthusiasm for the substantive field of community governance. My enduring fascination with Grounded Theory was matched by the sad corollary of no practical experience of the approach. It was this that provided the initial attraction to the project. The opportunity to become a novice practitioner of Grounded Theory was exciting…and daunting; proving to be a roller coaster ride with two publications relating to the research process as stations on the way (see Bryant and Jones, 2005; Bryant and Lasky, 2007).

Almost any committed teacher in the tertiary sector will instantly recognize both the imperative, and pleasure of research led teaching practice. Serendipitously, this project was a chance to enliven my teaching practice which overshadowed any trepidation about tackling new substantive territory. Glaser would, I believe, quickly dismiss my lack of expertise in a field as a dissuading factor for practicing Grounded Theory, as too
much expertise can readily lead to ‘forcing’, or coming to a field with preconscious conceptualizations which pervert potential for genuine Grounded Theory to emerge. Researcher bias is best avoided by close adherence to the procedures he espouses, and as the research proceeded it soon became evident that reading (and teaching) about a method is very much less challenging than application. At times when dealing with the very large data and the challenges of coding I felt overwhelmed, which called for constant revisiting of Glaser’s detailed series of monographs, and patient guidance from my supervisor.

Having disclosed these background details my value orientations are hopefully both transparent, and tempered by my readiness to embark ‘tabula rasa’ on investigation of a new substantive domain. Returning however to the issue of the researcher’s role and the always present potential for bias, Brooks points out that by identifying our own biases explicitly, through the act of acknowledgement we ameliorate potential effects of that bias. Furthermore, by clearly incorporating our biases in the research write up, we also facilitate evaluation by those assessing our research for its objectivity (1998:34).

This research clearly falls into the category of being driven by life cycle interests also mentioned by Glaser, and is in this sense subject to researcher bias. However, Glaser defends Grounded Theory as a methodology with in-built checks against such limitations, arguing it is self-correcting - or in some ways even an antidote to researcher bias: ‘the authors explain their drive or their driven-ness to discover as an abiding interest in a substantive area.’ Showing they are not afraid to give up whatever their pet theories may be that come from life cycle experiences; they easily give up ‘their preconceptions as their discoveries enhance it. They are getting ideas that help them understand’ (Glaser, 1996, pxi). This was the case with the current research which interfaces with my own teaching praxis, while overlaying my everyday exposure to managerialism in the education sector.

The second limitation with this project stems from its time frame, a factor over which as researcher, I had little control. As the research funding extended over a three year period, the project was initiated almost three years after the inception of Best Value in Victoria, in late 2003. This meant the opportunity to conduct research from the inception of Best Value was not an option. In an ideal world a longitudinal research
design, based on a time frame that coincided minimally with the first five year review cycle set in place for auditing progress with Best Value, would be desirable.

However, Grounded Theory research must have a beginning and an end; and there may have been some compensatory advantage in observing new legislation after it had gone through a settling time. As Best Value became bedded any ‘honeymoon’ period may have become a thing of the past as initial euphoria about the legislation clearly died down. From comments of practitioners who were around at the inception of Best Value, the fact that the legislation embodied strong community development values meant, almost by default, it was initially well received by organizational development practitioners. By the time this study began the challenges in making Best Value operational were more evident to the participants concerned, and as this was a key focus for the investigation it may have been a better point of entry to the field than an earlier intervention would have been.

The legislation was framed in a manner offering some delineation for an end point for the project, with December, 2005 mandated for completion of first round Best Value reviews in all Victorian local authorities. Even this sets an artificial parameter as researching an on-going process is never so simple. The emergence of a parsimonious Grounded Theory representing a cyclical process model, meant data for the last stage of the cycle was probably ‘thinner’ than for the preceding stages simply because temporally this stage was more compact. As the fourth stage emerged as it was literally a case of ‘watch this space’ as the review process drew to an end. With working parties involved in establishing guidelines for the ‘next round’ of Best Value and the group concerned with benchmarking practices still literally at the drawing board, the cycle ended at a point of renewed uncertainty about the future.

As the mandated reporting date on Best Value expired, it became easier to empirically discern rather than simply speculate about the cyclic nature of the phenomena observed. Ideally observation would have continued for another year or more to investigate the continuance of the cycle, and to more fully verify the nature of the emergent phenomena so far presenting. Even so, intentions such as this could be easily derailed say for example by a change of government in the election in November, 2006. Had this occurred, a greater limitation to this research may have eventuated as significant
changes to the legislation; or even abandonment of Best Value instrument altogether may have ensued.

Glaser alerts us to the danger of misrepresenting ‘what’ is grounded, or claiming a hypothesis as ‘grounded’, prematurely; for example due to external pressures to ‘know’ beforehand or to say what is expected (1998:3). Time constraints in this research created no such serious limitation and we are reassured as a result of correct procedures that ‘Grounded Theory is the discovery of what is there and emergent, and not invented. It is always good as far as it is taken, especially when developing new categories and their properties’ (1998:4).

Conclusion

This chapter has introduced the ontological and epistemological assumptions informing the choice of Glaserian Grounded Theory and selection of inductive design; and specific methods used in this research. It illustrates how these elements work in conjunction with each other, to guide analysis of the data in order to fulfil the intention of building middle-range theoretical frameworks to interpret and explain the data gathered via in-depth interviews, observation and participation in appropriate local government forums. In an iterative manner and analytic interpretation throughout the research process the data has been processed in a manner that provides a focus for further data collection. Explanation as entailed with orthodox (Glaserian) Grounded Theory relies on a methodology that assumes an objective external reality and a neutral observer who (via this reductionist form of inquiry) ultimately aims to develop integrated set(s) of hypotheses accounting for much of the behaviour seen in the substantive area of concern for the researcher. These hypotheses must ‘work’ - work being another word for validity for Glaser – and, if they do not work then constant coding, and analysis of the data should continue in order to modify these hypotheses until they do. In this way data gathering and the analysis cycle continues until ‘saturation’ is achieved.

The debate surrounding Grounded Theory was presented to demonstrate the necessity of applying the methodology in more transparent ways with clear articulation of the epistemological and ontological assumptions underpinning the design of this research. Jones (2007) and Suddaby (2006) found the use of Grounded Theory by management
researchers has become ‘so pliant’ that it has contributed to a state of methodological confusion. This research responds to the call for more careful application of Grounded Theory, and addresses the dearth of research grounded in practitioner experience on public sector reform. The danger of careless application potentially undermines the integrity of Grounded Theory. The discussion above suggests if rigorously applied the methodology selected for this research potentially offers a longstanding contribution to research in many substantive areas, while specifically addressing flaws evidenced by Boyne (2003) in the research agenda concerning public sector management.

In summary, the chapter presents a justification for selecting Ground Theory as an appropriate methodology for this project as follows. Firstly, orthodox Grounded Theory is an appropriate methodology given that it is early days for assessing Best Value principles in their Victorian application. Verificational research would be premature. Boyne’s meta-analysis and his conclusions point to the flawed nature of much empirical research in management in both public and private sectors. According to Glaser, the dangers of ‘forcing’ including lack of relevance, poor fit, non-workability and non-modifiability which should all be avoided if the theoretical and methodological debates outlined above are to be addressed.

Grounded theory, with its reliance on sensitizing concepts, as a method enables us to avoid ‘forcing’ and pitfalls of premature closure which have serious consequences for the validity of research. By conducting open-ended empirical research based on practitioner perspectives of the Best Value legislation, the main problems encountered on a day-to-day basis with implementation of a new project of rule become evident as do the solutions used by ODPs to alleviate their main concerns. Importantly, selection of the interpretivist research paradigm accommodates both the ‘negotiated’ nature of social reality, and its processual nature. For these reasons the research proceeds essentially within an Interpretivist model of inquiry based on foundational assumptions, both epistemological and ontological, of George Herbert Mead, Blumer, (1969) and other symbolic interactionists.

By using the Grounded Theory procedures systematically, it is hoped to demonstrate the value and integrity of the method, and to overcome the threat of Grounded Theory becoming dangerously eroded by just ‘describing’ elements of the data in terms of rich
description. Doing research necessitates becoming part of the debate. Thus the issue of researcher bias is addressed by exposing elements of my background, including a discussion of the tensions between my claim of coming to the research problem as a neophyte, and recognition of the importance of the Weberian project, including the need for ‘embeddedness’ that ensures the interface of experience and new knowledge is respected in attending to the procedural details of the research.

Finally, other constraints relating to the time frame of the research, and limits on the potential for generalisation from the research outcomes have been acknowledged and addressed in the chapter within a more general context of problems of validity and reliability in qualitative research. In Chapter Three, the pilot study and early analysis will be used as a vehicle to demonstrate how the coding spiral was conducted initially to progress the research towards the theoretical sampling stage; and later in the research as delimitation of the core category occurred, aiding carefully deduced probabilities to determine where to go next for data to further support induction of the emergent theory (see Glaser 1998: 43).
CHAPTER THREE: The Core Category - Practicing Alchemy

Introduction

This chapter presents the outcomes of the first stage of analysis, providing an audit of how data from the first phase of the research was processed through application of grounded theory procedures to analysing the transcripts of the first five interviews - ‘It is the beginners (early respondents) who will tell a lot to start giving the researcher a feeling for the main concern’ (Glaser, 2001: 176). The findings of this analysis provided many insights into the implementation of Best Value, as well as a framework and directives for subsequent interviewing. The purpose of this chapter is to demonstrate how coding facilitated identification of six emergent themes in the data, providing the basis for developing a more specific focus for the research by contributing to identification of the emergent core category - Practicing Alchemy. Coding practices became more refined after some initial tries, and I began to number codes with a code number as well as an interview number, so they could be easily located within specific interview transcripts.

Emergence of the core category enabled me to delimit the research, as evidenced in the refining of aide memoirs guiding subsequent interviewing, and analysis. The process of refining the interviews is presented in Appendix B, which demonstrates how questioning became more focused as data gathering, and analysis, progressed. As Glaser (2001) says, delimiting data collection is one of the economies of theoretical sampling, as the concurrent processes of data collection and analysis allow analysis to guide data collection meaning ‘that excess and unnecessary data are not collected’ (Glaser, 2001: 177), and importantly - what quickly became a looming possibility for me, so one does not drown in the data!

The themes emergent from the scoping study evidenced common concerns of six participants drawn from five shires and councils representing a cross-section of local government authorities in metropolitan Melbourne, Victoria (see Bryant and Jones, 2005). On the basis of the initial analysis, decisions were made for further site spreading to examine if key concerns of these participants were representative of participants in additional metropolitan and rural constituencies included in the research, as Glaser tells
us ‘Theoretical sampling requires site spreading and varied interviewing’ (2001:166). As one varies interviewing and the analysis continues ‘categories emerge, along with memos, from which more targeted questions are derived to start verifying and saturating the categories’ (Glaser, 2001: 177).

The scoping study is presented as a separate chapter for three reasons. Firstly, this chapter serves as a vehicle for demonstrating application of the basic coding paradigm, fundamental to orthodox Grounded Theory, and informing the entire research process. Secondly, the chapter outlines how emergent themes identified in the scoping analysis supported emergence of the (at this stage provisional) core category ‘Practicing Alchemy’. Delimitation can occur once a core category is identified when the core category emerges, open coding turns to selective coding; and with delimitation, and integration of categories and their properties begins a substantive theory (Glaser, 2001: 199). Thirdly, the scoping data is discussed in detail because it demonstrates how delimitation of the research supports further densification of the theory. Constant comparison enables conceptualization of relationships to emerge, and via memo-ing gradually the relationships between coding categories are discovered. Continual sorting and analysis of the data, supported by use of incident cards (see Martin and Turner, 1986), and memo-ing further establishes the relationships between categories as they are compared with all new incidents discovered in subsequent data gathering, until saturation is achieved, and no new incidents present.

To verify that all steps of the Glaserian paradigm were adhered to, this chapter should be read in conjunction with Appendix A, which provides an example of the movement from some excerpts of raw data to conceptualization of a single property, as supported by the building of incident cards. Ultimately, via establishing the relationships between many such properties - and sub-properties which are derived in a similar manner, the relationships of the properties to the substantive theory are discovered. Appendix A, and Appendix B, together with Chapter Three, illustrate how constant comparison - central to inductive research design - functions as an iterative process of moving between data gathering and analysis throughout the research. Supported by ongoing memo-ing to establish the conceptual importance of, and relationships between emergent coding categories, the Grounded Theory is gradually explicated.
The aim, then, is to present procedural ‘tracking’ of how evidence was gathered either via in-depth interview, or later on in the research by means of informal exchange, observation and participant observation – and processed. Appendix A gives an example of how a few excerpts of data are coded and collated using incidents cards. By means of Glaserian coding paradigms, key themes are established and the core category Practicing Alchemy is provisionally identified. Further data gathering and analysis using the same principles lead to discovery of the Basic Social Process of The Alchemic Life-Cycle.

**Data Collection and Analysis**

Based on sentence by sentence analysis of full transcriptions of the initial five (and later in the analysis all subsequent) interview transcripts, I used an iterative process of interrogating findings to identify further avenues of investigation. Theoretical coding ensued by means of generating increasingly focused questioning pertaining to the emergent themes, constructs and issues confronting the ODPs. By posing questions such as ‘is this a condition or a context’ or ‘is it a matter of degree or two dimensions?’ and so forth theoretical coding progresses (see Glaser, 1978: 119) with the aim of explaining how problems are processed and resolved by the Best Value practitioners. This procedure was practiced from the earliest stages of data collection thereby continually setting, and re-setting, parameters for the on-going research.

Constant comparative analysis requires the researcher to approach a topic without prior conceptions of the field under investigation and to remain receptive to new data which may modify conceptualizations initially arrived at in the analysis. As data from my first five interviews was considerable, the task of sorting and coding was at times overwhelming for me as a novice researcher. In practice it was easy to lose sight of the dictum that ‘Sorting is the act of arranging a huge pile of memos into an integrated theory. These memos will contain many saturations of categories and their properties based on the switch from open to selective coding’ (Glaser, 1998: 187).

My transcripts were open-coded by going through each interview on a sentence by sentence basis. This was laborious but I found managing this task manually helped me formulate questions about what was going on. As I literally cut up the coded transcripts
into dozens of coding units, I hand sorted these open codes into piles, supported by on-going memo-ing. I was able to physically move and group the open code ‘piles’ around the table to conceptualize what was happening. As I favour kinaesthetic learning modes, I found this method aided identification of relationships between the emergent coding categories. Sorting open code units by hand rather than using a program such as Nvivo also assisted memo-ing, with the physical act of sorting generating flexible thinking and memo production to establish six thematic representations of the organizational development practitioners’ main concerns.

As patterns emerged in the data, directives for theoretical sampling became clearer, and essential relationships between empirical data and the core category became evident: ‘coding for conceptual ideas is a sure way to free analysts from the empirical bond of the data…to transcend the empirical nature of the data which is so easy to get lost in’ (Glaser, 1978: 54). Once I was satisfied that the coding categories were appropriate, I pasted them up into incident cards (after Martin and Turner, 1986) which could be easily referred to, set or shifted about to aid further memo-ing and to consolidate emerging relationships between coding categories.

These procedures were continued with data gathered at later stages of the research, and to process observations during ‘post-scoping’ phases of data gathering. The principle guiding analysis is the method of constant comparison via which the Basic Social Process is elucidated as an outcome of comparing incident to incident, most importantly ‘not for descriptive purposes, but to aid with conceptualization of categories and their properties’ (Glaser, 2001:192). In combination, selective coding and theoretical sampling focused subsequent stages of data gathering, ultimately culminating in moving from the core category Practicing Alchemy to the emergent parsimonious Grounded Theory of The Alchemic Life-Cycle.

In the final stages of data analysis these procedures were no longer so arduous. After a dozen interviews I found I could read transcripts and memos to easily identify compatibility of codes with already established phases, properties and sub properties. This indicated that saturation had been achieved, given ‘the conceptualization of comparisons of incidents which yield different properties of the pattern until no new properties of the pattern emerge’ (Glaser, 2001:199).
The aim of isolating a core category and its subcategories is to identify the principles that relate these, and eventually to explain how the main concerns of ODPs charged with implementing Best Value are resolved. As Glaser repeatedly reminds us, Grounded Theory does not generate findings – ‘it generates hypotheses about explaining the behaviour from which it was generated’ (2001: 5). Importantly the core category is conceptually abstract from time, people and place.

**Use of the Aide Memoir**

Using an *aide memoir* does not preclude the possibility of differing responses or interview outcomes from organizational practitioners concerning their experience of implementing Best Value. The data showed that practitioner standpoints varied significantly according to factors such as time spent by personnel in a local authority, their direct experience within specific local authorities, age, prior work experience, length of association with local government, variation in community development aspirations and many other factors. For this reason, questions in the *aide memoirs* are open-ended representing only broad guidelines rather than standardized interview objectives. The intention is that during the interview participants are invited to respond by discussing issues and problems that are important and meaningful to them. The *aide memoir* functions to support interviewing and items may be covered in any order, or even ignored or overshadowed by issues the respondent wishes to elaborate on. Playing a role in earlier interviews when the parameters of the study are as yet unclear, it supports information gathering, and is modified as delimitation occurs (see Appendix B). As the interview process progresses the *aide memoir* becomes less important with interviews approximating more of a conversation around emergent themes and categories.

The first ‘*aide memoir*’ (see Appendix B) was constructed to be adaptable for participants who had been continuously involved with local government throughout the prior period of Compulsory Competitive Tendering, or for personnel with shorter associations in the local authority with more limited experience of Best Value. In keeping with analysis based on the constant comparative method, the ‘*aide memoir*’ remained open to successive modification throughout the whole data collection process as documented in Appendix B. This reworking of the *aide memoir* is consistent with the
requirements of delimiting and theoretical sampling, as analysis leads to discovery of the emergent constructs and relationships within the data.

I coded two transcripts from in-depth interviews conducted by my lead supervisor on the take up of Best Value with a member of the Department of Business Management responsible for implementing the Best Value in a metropolitan local government unit around ten kilometres, roughly east of the central business district of Melbourne. This enabled identification of some broad guidelines for commencing interviewing. These pre-existing transcripts proffered specific information about issues entailed in introducing and implementing the Best Value principles for a single local government unit. The insights, used in conjunction with some materials available on government websites on Best Value, provided me with enough basic information and the confidence to begin gathering my own data.

**Scoping Interviews**

Four additional scoping interviews were conducted during a three week period in November-December, 2003. Open coding the transcripts indicated it would be useful to tap directly into the issue of how ODPS experienced transitioning to Best Value from the prior contractual legislative regime. Transitioning had clearly impacted on how Best Value was both perceived by the ODPS, and on how it was taken up by the limited number of local authorities investigated so far.

The first interview, built around aide memoir1 (Appendix B), was conducted with the Best Value coordinator at a large outer Eastern local government unit approximately fifty kilometres from the Melbourne CBD. This local government constituency included contrasting outlying, fairly poor rural townships, as well as highly developed and reasonably affluent urban pockets of settlement. A second interview was undertaken with the ODP from a coastal fringe, metropolitan council. This was situated in a well established and fairly affluent community located about fourteen kilometres from the Melbourne CBD. The final interviews tapped the experience of both the Corporate Systems Coordinator and Leader in Change Management in large rapidly developing south-eastern local government units roughly thirty kilometres from the city centre. Before completing open coding of these transcripts, I conducted a further interview with
the ODP in my own municipality some twenty-four kilometres southeast of the CBD of Melbourne. A profile of all the local authorities selected for the study was presented in Table 2.1.

Thus even in the scoping data, there was varied representation in terms of geographical, socio-political, economic and demographic attributes between and within the local government authorities selected. The constituencies differed significantly from the inner metropolitan council sourced in my supervisor’s initial interviews. The interviews were informally structured using open ended questioning with the first aide memoir (see Appendix B) providing non-directive guidelines, so participant concerns could be emergent. The ‘aide memoir’ served to move the interview along if there were lags in informal exchange. Questions on the schedule were not adhered to rigidly, or followed in any particular order in the scoping interviews: ‘In the beginning of Grounded Theory research the researcher listens with a “big ear”….Much of the time the researcher is just listening in a kind of open ended conversational interview’ (Glaser, 2001: 177). This strategy took some getting used to, and I needed to be alert to not conversing too much myself in the interview sessions.

**Coding**

With each of the scoping interviews transcribed, in full, by myself - they were subjected to a rigorous open coding (see examples of how open codes are raised to increasingly higher levels of abstraction and sorted into incident sheets, in Appendix A). Analysis enabled identification of differing coding formats, and sorting of specific incidents reported by participants as part of the routine activity of implementing Best Value. The first coding format, incident coding, includes identification of all substantive material in the interviews, for example, relating to interpreting the legislation, transitioning from the prior CCT regulatory regime, developing review procedures, managing the review process and so forth. All participants made frequent references to problems entailed with developing a common language with which to communicate about the new legislation; and, establishing a workable framework for the review and managing time constraints in the review process were also identified as key concerns. Concept cards similar to those used by Martin and Turner (1986) supported sorting data and codification of the substance of the data.
In this manner, all open codes relating broadly to say ‘managing the review’ could be further sorted to identify substantive areas based on commonalities in experiences of participants (despite differences in constituencies with which they were concerned, and allowance for some variance within each of these). Managing the review, for example, provides a conceptualization for grouping several related ‘incidents’ which were evident as open coding proceeded. This included incidents as diverse as establishing frameworks for reviews, identifying templates to make the process more accessible for ground staff and operational managers; conducting community consultation; measuring and evaluating continuous improvement; meeting time constraints and so on. Each of these categories represented subsets of the broader construct ‘managing the review’. Distinct from this substantive form of conceptualizing data, a second layer of analysis was used to isolate \textit{in vivo} codes from the open codes generated by the first pass through the data. These stem directly from the language of participants themselves.

\textit{In vivo} codes, in contrast to substantive codes established via the initial open coding session, tap affective domains of the participants. The aim here is to articulate and conceptualize the overall mood in participants’ responses; for example to establish the ethos of the context in which this is generated. These codes assist with isolating the main concerns of participants, by including the possibility of affective responses to substantive issues that must be dealt with as already categorized according to substantive or incident codes. Open coding includes identification of \textit{in vivo} codes so as to conceptualize shared meanings held by participants based on their experiences implementing the Best Value principles.

\textit{In vivo} codes maybe extrapolated either directly from turns of phrase, or from exact wording, used by participants to describe their everyday experience and reality. They represent a summary conceptualization of \textit{sentiments} involved for participants, or their interpretations of the sentiments or affective responses of others with whom they work. They may also extend to participants anthropomorphizing aspects of the organization. For example in interview number three, a participant mentioned ‘\textit{there was still a lot of grieving happening here}’ when Best Value was introduced, suggesting the idea of a ‘grieving organization’. As similar sentiments were expressed in different guises in the stories of all participants in the scoping interviews such conceptualization implicitly entails the idea that damage control and de-briefing may be critical concerns for the
ODPs. Each participant (including a relative newcomer not around at the inception of Best Value who said she was ‘very aware of the scars left on the organization in the wake of CCT’) recounted incidents that illustrated individual and organizational insecurities accompanied by affective responses to changes wrought by the previous regime as a result of amalgamation and compulsory competitive tendering.

The organizational development personnel spoke of the lasting impact on people’s psyches and the collateral damage of CCT; including the outcomes of downsizing, outsourcing of services, merging of disparate local government units, restructuring, personnel changes and so forth. Thus ‘grieving’ provides a useful *in vivo* code to capture and conceptualize the collective affective response of social actors to transitioning from prior experience of the Kennett period of conservative government and neo-liberal reform.

The fact that there was congruence between themes and patterns in the data sets generated by two different interviewers (my own and the two conducted by my supervisor) provided reassurance I was dealing with what Glaser would refer to as ‘base-line’ data and ‘interpreted data’, rather than ‘properline’ data (1998: 138). Baseline data, as explained in Chapter Two, is an outcome of participants simply describing their area and actions. Interpreted data, on the other hand, is generated by participants describing ‘what’ is happening, in a way that tells the researcher how to see it.

Glaser suggests the type of data we collect influences how we generate concepts. This would be clearly the case if at this early stage of analysis there was, for example, a sense that ODPs were providing a third type of data – or what Glaser refers to as ‘proper-line’ responses. I had no immediate sense of ODPs telling me what they assumed I wanted to hear. They were both passionate and candid in describing their experiences with Best Value, and in describing the transition from CCT to Best Value. The frankness of the interview responses gave me little reason to suspect their responses were anything other than baseline data.

Sorting open codes enabled me to identify patterns, and to move beyond the overwhelming total descriptive capture of the already large data. The following thematic
framework was generated providing a basis for further exploring emergent substantive issues. Together these themes suggested a core category, which at this early stage I recognized may require significant modification as further data was gathered and subjected to the method of constant comparison. The themes identified and outlined below, indicated that subsequent data should be gathered using a modified aide memoir (see Aide Memoir 2, Appendix B) to further delimit findings of the scoping data, and generate more selective codes to substantiate the core category and delineate sub-patterns, via theoretical sampling.

**Emergent Themes in the Scoping Interviews.**

After the first analysis, the themes identified were conceptualized to identify participants’ main concerns and grouped as broad substantive codes. However, each emergent theme had related domains of affective responses, conceptualized using sorting to identify both substantive and *in vivo* codes.

**Theme 1: Transitioning from CCT**

Interviewees, particularly those around during the period of the Kennett government, (four out of five cases in the scoping interviews), held many shared perceptions of the change to Best Value from Compulsory Competitive Tendering. Generally Best Value was portrayed as a ‘shift for the better’, and there was a sense of relief among all participants that the worst was behind them (although the short timer based her understanding on ‘hearsay... and just reading of the mood of this place’ (Int. 3). Despite holding positive attitudes to the inception of the Best Value program, scepticism about the possibility of effecting the change stipulated by the Best Value principles was widespread, with at least three participants recognizing Best Value could not be achieved without a fundamental shift in organizational culture. A distinction was made between procedural changes such as conducting reviews, and the less tangible challenge of generating the shift in mindset needed before Best Value could be considered as integral to the conduct of council business and across the organization. The former operational challenge was recognized as the lesser of these two challenges.

One highly experienced ODP believed relaxation of requirements would have eventuated despite the change to a Labor government as CCT had really ‘run its course
by the end of the 1990s’. The implication was that inevitably the pendulum swings as a matter of course from an extreme position back to a more moderate one. A common perception was that the political and economic climate could not have been worse for local authorities than it was during the CCT period. A ‘shift for the better’ included things such as the chance for rebuilding trust and communication in the organizations, and potential for moving beyond what many participants called the ‘one size fits all’ model of the Kennett period.

The Best Value model was positively conceived, at least as attempting to embrace ‘community difference and developmental needs’ (Int. 4). One participant mentioned potentially positive outcomes of reforms in terms of efficiency, but argued ‘organizations with good business management were already well practiced in terms of the competitive values required by legislation during the Kennett period, so these ones are by now already skilful players in the tendering game’ (Int. 2). Judging from the pre-occupation of all participants with the residual effects of the CCT period (both substantive and affective), the impact of the prior period of legislation could clearly not be ignored in the next phase of this research. It was perceived by practitioners as having far reaching consequences for all five authorities, particularly influencing their task of introducing the new legislation for Best Value into local authorities, and the challenges of making the Best Value principles operational. Participants reported on needing to be skilled in reading the mood of their organizations, and in accepting that some ‘damage control’ was a prerequisite for moving things forward.

The affective responses of participants in the scoping interviews are the basis for distinctions in the following section between in vivo codes relating to the transitioning phase, and substantive coding forms, supporting identification and grounding of the analysis in terms of participants’ main concerns. ‘Transitioning’ is a term that provides a good conceptual grab for the themes and patterns discussed above.

‘Transitioning’ entails complex and interwoven affective organizational and behavioural responses that practitioners must mediate in implementing a changeover to Best Value. These include, primarily, coping with consequences of the prior period of Compulsory Competitive Tendering. The collective mood of these responses brings to recall Jones’ notion of recovery from ‘prior hostile legislation’ (2000). All five
participants spoke of both personal and organizational consequences including references to the distrust and anxiety caused by loss of personnel in their authorities, through retrenchment: *there is a lot of fear and insecurity around still about jobs and things* (Int.4). ‘Loss’ also extended to erosion of organizational identity resulting from the merging of disparate organizations as part of the radical amalgamation program set in train by the Kennett government.

One participant spoke of these losses in strong affective terms saying ‘there is still a lot of grieving happening here’ (Int. 4). Others mentioned corollaries such as uneasiness about job security and outright scepticism about change. The Best Value practitioners had to face problems in dealing with endemic organizational mistrust, for example ‘we had to spend a lot of time in getting over suspicion between our staff. This was because of the breakdown of team cohesiveness due to the competitive nature of CCT’ (Int. 1).

At another level, CCT also had serious implications for organizational capacity. One respondent mentioned how serious the loss of corporate memory was for the sector as a whole, saying that ‘of course the best personnel were the first to take their skills elsewhere, because they found jobs most readily’ (Int.3), arguing this was a draconian consequence of the Kennett period. As far as transitioning was concerned, all practitioners shared the common challenge of dealing with and overcoming the aftermath of CCT expressed in terms such as ‘change weariness’, ‘reducing change resistance’, ‘recovering the loss of organizational memory’, and ‘overcoming wariness and suspicion’ among personnel in their organizations.

The suspicion felt by ODPs, and operational staff and ground staff, stemmed from the perception that they would be called on to meet additional demands without necessarily being properly equipped in terms of organizational capacity or financially resourced to redress this. A summary code for the ODPs perceptions of collective organizational sentiment and the consequences of the prior CCT period is ‘reform recalcitrance’.

**Theme 2: Recovery and Rebuilding or ‘Repair Work’**

Rebuilding is a useful code for summarizing the co-requisite ‘work’ reported by the practitioners that was needed to get transitioning happening, or at least underway. A range of incidents described by participants illustrated the need for organizations to
‘regroup’ in the face of new changes. With the introduction of Best Value collateral from the previous period must be dealt with and new resiliencies built up to take Best Value on board. Rebuilding depended on a number of tangible initiatives such as developing communication technologies, and expanding the skill sets needed to capitalize on improvements in this domain, as well as less obvious ones such as rebuilding team ethos within organizations to overcome the ‘silo effects the Kennett period created’ (Int. 1, 4).

In addition, pragmatic factors such as allocation of resources and funding to implement Best Value had to be dealt with on an organization by organization basis. Rebuilding and recovery were co-requisites, and necessarily interdependent processes. One participant mentioned that in fact they now had to do ‘more new things with what was effectively less in terms of staffing and resources’ (Int.2). In some cases new personnel were required or staff had been redeployed to address requirements of Best Value. Participants made reference to instances where new personnel may act as new brooms by making their mark on vision statements for the organizations concerned; or by ‘bringing manna’ (Int. 3) on how Best Value should be interpreted, implicitly suggesting definitive ways of interpreting the legislation were not in evidence. Two organizations had newly appointed CEOs who had put their imprint very early in the piece on where they thought Best Value should take the organization (Int.1 and 3) further suggesting a lack of consensus on how Best Value should be understood.

Re-establishing communication networks and rebuilding organizational trust were seen by some participants as interfacing needs. One participant spoke of the urgency of rebuilding teams because of breakdown during the prior period of CCT, but in order to do this, or to implement programs to drive Best Value, her organization needed ‘to start virtually from scratch to build an efficient intranet’ (Int.3). Dealing with these technological changes in that case, added to staff uncertainties with the consequence of the authority needing provision of appropriate support to up-skill the staff concerned.

Three participants mentioned major ‘restructures’ taking place in their authorities, either just prior to introduction of Best Value, or soon after it was introduced. These restructures involved significant changes including redefinitions of organizational units, merging of domains of responsibility, and attempts to address the interface between
Best Value principles and organizational visions particularly in instances of newly appointed leaders in the organization. When such leadership changes occurred, practitioners had to adjust to and accommodate new visions and missions as part of the up-take of Best Value, and convey these to ground staff. Such changes were characterized as highly significant in determining how organizations responded to and interpreted Best Value, with participants speaking of the need for staff ‘to move on’ and ‘get over the cost cutting mentality’ and residuals of the prior contractual period.

‘Welding’ is a useful in vivo code capturing both organizational ethos and recognition that organizations needed to significantly regroup. Before welding can occur a sloughing off the old skin must occur (which by all accounts, was necessarily a thick one as a consequence of surviving the prior period of contractualism). Other in vivo codes described, (and sometimes anthropomorphized), the process of re-grouping. For example, participants spoke of the need to allow time for ‘organizational settling’ or ‘letting things shake down’, and for allowing ‘real bonding’ to occur among work units and teams. One participant spoke of the need to enable leadership ‘branding’ to be taken up in order to ‘sell the reforms to the operational people [managers] as well as the troops’ (Int.4). In the face of scepticism about change, participants recognized that one of the greatest challenges they faced was to find ways of giving ownership of the Best Value principles to newly developed teams to engineer inclusion into the Best Value process.

Welding then loosely categorizes all processes whereby Best Value principles are integrated into the organization both in a structural and cultural sense. Conceptually it accommodates the fact that these things do not happen automatically in organizations. Rather than just evolving as a matter of course, successful transitioning requires generative action within organizational units and across the organization as a whole. From discussion with the organizational development practitioners it was inferred that in order for transitioning to take effect some form of reinvention of organizational culture was critical and several participants referred to the need to shift organizational mindsets.
Theme 3: Establishing a Review Framework

One of the most problematic aspects for the ODPs in the scoping interviews in implementing Best Value, based on responses from the scoping interviews, was developing an appropriate framework for conducting service reviews, and proceeding with the reviews in a timely manner, for completion in December 2005. Review processes were well underway in all authorities investigated, when scoping interviews were conducted. Despite this all participants conveyed a sense that establishing the review had been, and in some cases continued to be very much a ‘trial and error’ exercise. It appeared there was little by way of external guidance about procedural strategies for conducting reviews apart from the set of Best Value principles and the broad reporting requirements in accordance with a mandated completion time.

It was abundantly clear from the range of responses that ‘how’ review frameworks were developed was not in any way a standard outcome of the legislation. Some participants spoke of cases of unevenness between units, and even within units, in their organizations. A lack of review convergence between organizations was evident. There was little consensus about how Best Value reviews should proceed and it was clear this was neither stipulated at the outset, nor was the legislation interpreted in any sort of uniform manner by participants. Both the mood of the ODPs, and their descriptions of prevailing organizational ethos surrounding the review task, was surprisingly buoyant given this context of uncertainty.

Although there was confusion and uncertainty about review procedures, practitioners were generally satisfied the reviewing process was underway, but admitted to uncertainty about whether it was on target in terms of substance and procedure. In most cases participants reported reviewing was meeting timelines set up, usually by themselves, but sometimes by predecessors in the job. If this was not the case, they had developed strategies to cope with the situation if reviews were falling behind a bit. These included cutting back on the number of reviews initially set out as a target, or merging domains or business units into new review units, often not without attendant confusion from operational personnel. There was little consistency of response between practitioners about what materialized as a review framework, or on consistent processes for reporting on Best Value. The review task invoked a range of strategies, tools and approaches from organization to organization. By the same token, there was
remarkably little doubt about meeting the end reporting requirements, although feedback from the Best Value Commission on the substance of the reviews tabled so far were patchy, or non-existent.

In terms of strategies for conducting reviews, there was an astounding plethora of responses including efforts to draw on what remained of organizational memory; use of existing measurement practices such as surveys, focus groups, community panels; application of benchmarking strategies; use of standardized instruments - the Newman, Gostin and Chong instrument (Int. 4) in common with other local government units; or in some instances the expertise of external consultation were drawn upon. Equally diverse were the mechanisms adopted by various authorities to report back to the community on the outcomes of Best Value in order to close the feedback loop, with all participants recognizing this was a vital aspect of community consultation.

Despite all ODPs being fully immersed in the review-reporting cycle, during the scoping interviews, there was acute awareness about shortcomings of most approaches being used for evaluation of service delivery and in conducting reviews. The main problem for participants in developing review frameworks was creating appropriate overlay between operational outputs in various units within their organization and the need for consulting with the community to establish appropriate outcomes for the services. Shared recognition existed among participants that outputs do not necessarily equate with outcomes. Finally, meeting conflicting reporting demands to attend to legislative requirements, and dovetailing this with accountability to the community was clearly problematic, given that participants felt ‘accountability’ could be construed differently for each service domain, and from authority to authority.

‘Working blind’ (Int. 1) was a further useful in vivo code at this point of the analysis given the lack of consistent procedural guidance, or external referents by way of benchmarks or strategies for generating review frameworks; or indeed for even regulating the review process or providing feedback to local authorities about the adequacy of the processes organizational practitioners were dealing with. Practitioner response to the substantive task of establishing review frameworks generated a range of other useful in vivo constructs, mostly associated with participants trying to simultaneously meet both legislative demands while still remaining committed to the
community consultation imperative of the Best Value legislation. Ensuring services were maintained according to cost, and quality, standards was a formidable challenge.

Retaining organizational autonomy was an issue of considerable importance for all the practitioners. One participant used the metaphor of ‘driving our own car’ (Int.3) with pride to describe their unique approach to implementing Best Value. Another spoke of ‘getting on with the call, with big brother watching over our shoulder’ (Int.4).

The general lack of preparation for managers about the new orientations in review requirements, and for operational personnel for whom it may not have previously been part of their core business is conceptualized as review un-preparedness. All participants problematized the devolution of Best Value process to operational managers and their teams, and a range of in vivo coding formats emerged to conceptualize the affective response of practitioners to the challenges of developing and applying new review frameworks. These challenges were encapsulated in phrases like ‘thinking on your feet’ or ‘hitting the ground running’. Useful summary constructs capturing the sense of confusion, and the ethos of subterranean anxiety evident amongst the ODPs in dealing with review unevenness would be ‘review anomie’. ‘Anomie’ was a construct used by Durkheim to describe collective ‘angst’ that might surface in a society undergoing rapid change. It is usually associated with a pervading sense of normlessness (see Durkheim, 1979).

The most striking aspect of ODPs having to ‘work blind’ in the ways outlined above was the resolute manner with which they conveyed their efforts to meet these challenges. The air of confidence and commitment among all organizational development personnel interviewed in the scoping stage was palpable and compelling, given the flexibility of the legislation, the lack of procedural guidance and the uncertainties of the organizational development practitioners about the extent of their general responsibility for oversight of the legislation in their organization.

**Theme 4: Managing the Review, Time Constraints and External Pressures**
Discussion of problems associated with managing the review process was by far the most predominant theme to emerge from the scoping data. What became apparent from sorting incidents based on open coding concerning implementing the reviews was the
sheer complexity of trying to achieve an evaluation of any form, or consistency, in an organization as multi-faceted in terms of services provided as the local government units focused on in the initial interviews. Logistics were at the forefront in most discussions with practitioners, for example review scheduling and dealing with time lines was problematic; as well as kowtowing to external regulatory pressures including the demands of the Best Value Commission, which visited and reported on a range of municipalities during this period. Institutional autonomy was unquestionably perceived by all participants as being challenged in one way or another by the pressures of reviewing and reporting.

Responsibility for conducting the reviews in all authorities was generally devolved to unit level teams or operational managers. Problematic for both the operational personnel concerned, and the organizational development personnel overseeing Best Value, was the tension between meeting accountability requirements while maintaining operational functioning within subunits of the local authorities – ‘After all, they (operational staff) still have to get their day jobs done when it comes down to it, and the additional responsibilities with reporting make a big call on their time, and in some cases their skill levels’ (Int.1).

A continuum of coercion emerged concerning the role played by participants in keeping their operational managers focused on the review process. This ranged from the gentle facilitating and supporting type roles; to pushing managers along, and on the more coercive end of the spectrum pressuring managers to engage in the Best Value process in order to meet legislative demands and externally imposed time constraints. In one interview the participant mentioned how critical it was to ‘keep your internal drivers of the review process on side’ (Int. 2).

The review process itself appeared to centre on combining performance plans or business plans from each unit with some form of community feedback. Reviewing was construed in a number of ways, as was the need for developing action plans to respond to findings of reviews and closing the feedback loop in terms of reporting to the community, as well as reporting upwards to the State authorities on the nature of ‘continuous improvement’.
'Juggling' is a useful metaphor to summarize participants’ affective responses to managing the review, conceptually capturing the continuous nature of balancing the demands of meeting Best Value. Juggling is necessary firstly, in terms of achieving any specified outcomes given the contingencies of daily functioning of the organization; secondly because attaining the outcomes depends on successfully engaging all or most of the members of the micro-units being reviewed; and thirdly, to establish a manageable set of processes and adapt these to achieve outcomes (rather than just outputs) in an ongoing way.

Having 'To keep so many balls in the air at once' (Int.2) was the rule, and primary challenge, for all participants in implementing the legislation. That is to ensure achievement of Best Value and in order to demonstrate continuous improvement in their reporting. Some participants noted that Best Value was just what they were doing anyway before the legislation came along, but the actual need to report on it meant it required management of the micro units in the organization in order to specify and articulate what Best Value actually entailed for their service, and while 'for some units this might be a useful exercise, but honestly for others it's like teaching them to suck eggs, just a bit of an insult given their already existing practices'! (Int.3)

Some participants implied mandating some services to articulate what is already their core business via the reporting process (delivering services according to Best Value imperatives) was really superfluous. For some units it meant stating the obvious, while for other services such as libraries or child care it was insulting as there was already a high level of documentation addressing Best Value imperatives. Managing the review had to be juggled by participants with awareness of such sensibilities.

Theme 5: Community Consultation: Interfacing Operations with Local Needs
One participant spoke of the main task of local government units as being the 'maintaining and preserving of community assets' (Int.1). This included infrastructure such as roads and local buildings; as well as cultural heritage and environmental assets. Participants showed a high level of awareness that sustainability issues were part of the core business of all local authorities. All participants recognized, that in the last count achieving Best Value entailed inclusion of inputs from the sometimes very diverse constituents in their specific local government areas. Socio-economic factors,
demographic characteristics (both age and ethnicity specific); historical developmental evolution and varied geographical terrains were all mentioned as factors impacting on what really constitutes ‘need’ in a particular community. These factors, it was pointed out, also determine how needs are expressed.

The problematic aspect of this for the organizational development officers was: how do you ‘demonstrate’ you are addressing need, when need is complex and multi-layered according to the factors outlined above? Interfacing legislative requirements with community accountability, at the same time as meeting community needs in an inclusive fashion was problematic, with participants struggling to articulate what Best Value entails with respect to the duty aspects of the six Best Value principles. Improving governance and what this embodies was at the forefront of participants’ discussions of the modernization program.

Understandings of maintaining and demonstrating continuous improvement across the governance hierarchy (State government and constituents) clearly did not overlap for participants in a tidy fashion. Establishing genuine needs required a range of responses such as tapping and ‘identifying gaps in community response patterns’ (Int. 3), with Best Value as policy calling for a proper understanding that resources in a community entail far more than revenue. The extent to which constituents in the community recognize the role of human capital, and other forms of capital such as natural assets, proximity and so forth in their community is neither explicit nor tangible for the ODPs. Understanding permeations in local public-private provision of public goods such as childcare; and making decisions based on finding out what a community actually values, was perceived as complex and difficult. For example one participant mentioned with respect to the public library in her community ‘even people who rarely or never used the library nearly always value it highly as a facility’ (Int.2). Values do not necessarily always constitute ‘value’ [for money]. The challenge for the organizational development practitioners then, is to generate and articulate a shared understanding of Best Value, which as such may have little relevance for meeting reporting requirements in a timely manner.

Cultivating inclusiveness emerged as a highly problematic aspect for the participants with respect to the imperative of Best Value to demonstrate ‘accountability to
community’. Although community inclusion is a key principle of Best Value, achieving this represented a considerable challenge for participants. At least three respondents conveyed a strong community developmental perspective both in terms of personal commitment to the principles and in their attempts to ensure Best Value principles were implemented equitably. Participants discussed the importance of ‘tapping the sleepers’ and ‘ensuring inclusion’ stressing the necessity for consulting ‘not with just the usual suspects’ (Int.1,2,4).

The ODPs were not entirely satisfied that the diverse range of methods being used for community consultation including community panels, focus groups, satisfaction surveys, benchmarking and so forth were ‘good’ indicators of successful community consultation given the possibility of uneven participation in some instances, or limited validity of the measuring instruments in others. So in terms of achieving community engagement, based on analysis of data from the scoping interviews it could be argued that a mood of ‘review scepticism’ prevailed. That is, in terms of how well the overlay between review procedures and addressing real community needs was met. Reporting practices were also mentioned alongside the problematic aspects of community consultation. Apart from inclusiveness issues closing the feedback loop when evaluation is undertaken so community members are aware of the changes underway was highly problematic for participants.

Theme 6: Improving Organizational Learning

The need to build organizational skills to improve the review and reporting process emerged as a key concern in the scoping interviews for all ODPs. The logistical demands involved in improving skill sets of staff, and the fact that Best Value depended in many ways on multi-skilling of staff was a great challenge, and all participants had been involved in a range of staff development initiatives to improve skills of operations managers. These included responses like ‘mentoring’, ‘modelling’, ‘nurturing’ as well as ‘developing managerial autonomy’, ‘setting up workshops’, and ‘teaching people to use templates to guide the review process’. The responsibilities for doing this fell largely on the ODPs shoulders although one participant mentioned a few workshops and forums organized by the central authority as a source of guidance.
The extent of programs to improve organizational learning varied widely with one organization developing a systematic ‘whole of organization’ change program which all units had to work through systematically as part of the review process. Others addressed the learning required more as an individual staff development issue. In contrast some ODPs considered the possibility of calling on external consultants, to assist, when there was a shortfall in organizational knowledge with respect to particular aspects of the review process.

Overall the participants gave a sense that stretching managers was a necessary adjunct to implementing organizational change. Most interviewees were themselves participating in some form of knowledge sharing beyond the confines of their own organization. Being in touch with processes connected with Best Value in other similar organizations to prevent reinventing the wheel was considered important and helpful, with three participants reporting they were members of different regional networks. One participant said they made their processes available on the webpage for public access reporting ‘we have a lot of hits on the site and we are sure they are coming from other councils rather than our local community’ (Int. 2). Keeping reviews relevant and looking for opportunities to use review processes that worked well in other parts of the organization, or in the past, was seen as important by all participants.

‘Knowledge Brokering’ to enhance organizational learning entailed participants to operate both as knowledge brokers and knowledge intermediaries between various levels and units in their organizations, for example between CEOs, Councils, and between operational managers and ground staff in their organizations. Given the challenges of developing review frameworks from scratch, the ODPs saw themselves as having active roles in negotiating a good ‘fit’ between the reform program of Best Value, and organizational processes required to achieve it.

One participant mentioned the value of having worked previously in customer service in the organization, because this gave her an overview of the realities operational managers from different parts of the organization deal with and their problems with reconciling the review process with their core business. In addition to the intra-organizational knowledge mediation, that was a core competence for ODPs to implement Best Value, networking facilitated some participants to move beyond the
bounds of their organizations. On the basis of the knowledge mediation role participants play they could be characterized as key 'knowledge purveyors'.

Identification of Participants’ Main Concerns

After completing analysis of the scoping data it was felt some form of conceptualization should be established to link the six substantive themes identified above, and to explain how the ODPs resolved their common concerns. A code was identified to relate many of the substantive incidents that although quite varied thematically, nevertheless shared some commonalities. All the themes discussed above indicated immense generative effort by the organizational development personnel responsible for implementing Best Value to ‘shape’ or mould their interpretations of the legislative requirements in order to achieve some form of fit between the legislation, their local government authorities and the sub-units within them. In this sense then ‘moulding’ and ‘melding’ provide useful and relevant umbrella constructs for all themes. For example with ‘transitioning’ a great deal of ‘moulding’ activity was required in order to gain acceptance for the Best Value.

Moulding then would entail the need to develop, for example, slogans to reassure members of the local government units concerned, that the changes were non-threatening: ‘it’s nothing new, it’s what we do’ (Int.3). Or as another participant said Best Value ‘just provided an umbrella to put everything we already do under, and to provide what was already done with some unity’ (Int.3). A third participant actually equated the Best Value charter with sound business plans already part of good business management in her organization, and convinced operations managers of this. Importantly she pointed out ‘I don’t think fitting BV in is necessarily a difficult process.....it’s just a good approach to management...it doesn’t necessarily have to be different to what you might be doing anyway’ (Int. 2). A fourth quote illustrates the complexities of integrating the new principles into the framework of prior practices so it is palatable for staff: ‘it’s just an extension of your everyday operations, so when you are working day to day you look to make improvements in how you deliver your services and carry out your functions, which is what Best Value is about...it’s about improvement, right? It has been, well...look...a difficult process. More to keep them [operational managers] focused on it, because day to day operational issues will impact
and cut into the review process. If you look at BV it’s not like doing your normal day to
day work here and then conducting BV over there’ (Int.1).

What is evident from these quotes is that without ‘moulding’ (in at least two of these
quotes you can almost hear the words being spoken between the participant and their
operational personnel) there will be no ‘melding’. The tension of the task is evident,
thus despite the confident start of the last quote, what follows demonstrates the
tremendous tensions confronted in maintaining focus on, and achieving appropriate take
up of, the reforms to accommodate the duty of improving not only service quality, but
governance more generally.

Similarly, with all of the substantive themes many incidents illustrate the effort required
by the ODPs to blend the new reform regimen with what is already there. This occurs
with restructures –‘when it came to BV he [CEO] pretty much kept to those already
established units, from CCT time, except for a couple of minor changes’ (Int.3). Also
with personnel changes, for example new CEOs encouraging piggybacking, so Best
Value was added to existing missions: ‘the emphasis here pins very much on
sustainability. We have two criteria; one relating to a sustainable community and the
other to a sustainable organization so we introduced sustainability into the BV process -
a sustainability vision statement positioned us well to pick up on BV, and fed very
easily into the BV process. BV provided the already existing sustainability group with
the opportunity to build on that…you know, their plans and actions already put down as
their strategies’ (Int.1). Another CEO ‘wanted to do quite a different style [of BV], he
was very much on about developing the organization, and so he just incorporated Best
Value principles into an overall program he wanted to introduce’ (Int. 3).

Examples of moulding and melding relating to other themes can also be readily
established. With respect to managing the review time constraints for instance, cutting
the cloth according to your coat prevailed as it were – so one participant starting out
with the idea of reviewing fourteen units in their organization, gradually reduced it
down to eight which aligned exactly with the mandated review requirements (Int.3).
How the participants developed review frameworks is rich with examples of moulding
and melding as well.
Moulding, Melding and the Core Category Practicing Alchemy

As the examples discussed above demonstrate, ‘moulding activity’ stands as antimony to ‘melding’. Both are part and parcel of each other, occurring as interfaced simultaneous projects. Through ‘moulding’ shaping of new demands occurs to effectively blend them with existing practice; thus some form of ‘melding’ is achieved. It is undertaken primarily, one assumes, so individuals feel less threatened by Best Value changes and to soften up individuals in the organization to make them more ready to take the reform process on board. This common tendency for practitioners to actively engage in moulding and melding within and between organizational units sometimes extended to engagement between organizations as ODPs sought allies to talk with about the Best Value process.

The emergent processes, outlined above from analysis of the scoping interviews, clearly called for further investigation because of the recurrent nature of moulding and melding with respect to all themes identified via the sorting of open codes into substantive and in vivo formats. Moulding and melding were not overtly coercive activities, but appeared to be persistently present as an undercurrent of the efforts to implement Best Value legislation. The requirement to meld and mould sometimes created tensions for personnel, and often creating logistical problems of complex proportions. More often than not however, as processes, moulding and melding appeared to necessitate creative or generative responses, for instance in developing review processes and templates, and in making these accessible to all units in the organization. Finding ways to still allow for individual units to have initiative, and demonstrate points of difference, was problematic for ODPs. In other instances moulding and melding required adaptive or reactive responses as for example when review programs initially set up must be tailored to meet time constraints or adjust to organizational capacities.

In summary, the coding of the scoping data, and the emergence of these substantive themes, with related substantive and in vivo codes, functioned to contextualize the ODPs response to the task of implementing Best Value, as well as categorizing their perceptions of the organizational ethos concerning how local government units respond to changes attendant on the new legislation. Understanding how those responsible for implementing Best Value managed and resolved problems and issues integral with these
themes was central to identification of a core category Practicing Alchemy, providing foundations for the subsequent parsimonious Grounded Theory of The Alchemic Life-Cycle, which is introduced in the next section of the thesis, Chapter Four, and expounded in detail in the following chapters Five to Eight.

The open coding, sorting and preliminary analysis of scoping interview data provided grounds for a number of decisions guiding the next phase of the research. By interrogation of the emergent themes both at substantive and affective levels, decisions were ‘grounded’ as to what data might assist in further clarification of a core category in the next phase of interviewing. The following decisions were made as the basis of establishing the second aide memoir (see Appendix B, Aide Memoir 2) to guide the next phase of interviewing.

**Site Spreading**

Firstly, despite the fact that the scoping interviews were all conducted within a specific sector of the metropolitan area (south-eastern and eastern corridor of the metropolis), three of the five participants said Best Value was complicated by the need to account for the diversity within and between constituencies in terms of socio-economic, age demographics, as well as ethnic difference. In addition, one participant pointed to the rural-urban divide within their authority located on the periphery of the metropolis, suggesting Best Value legislation had different implications for rural and metropolitan communities in the authority. The large area of this authority was also cited as an impediment to determining how Best Value should be implemented to address issues of equity and access. This suggested a need to focus on the role of geographical contingencies in impacting on implementation of new projects of rule, as well as considering size of shires or council authorities as a possible moderating variable. It was therefore determined site spreading should include rural shires across the state, as well as local government authorities in other parts of the metropolitan area, to determine variation and similarities in how ODPs deal with implementing Best Value. For example, shires in the most distant parts of Northern and Eastern Victoria were included for in situ interviews. Also, a selection of very large, and very small, rural shires were represented. Table 2.1 summarizes the approximate geographical distribution of the local authorities selected.
Secondly, all participants in the scoping exercise pointed to the role of social difference in defining community needs, and to the problematic nature of determining what actually constitutes Best Value for community members of differing demographic, socio-economic and ethnic backgrounds - both within and between the authorities investigated to this point. This contributed to a lack of consensus about how to determine what constitutes Best Value in practice, further complicating the implementation task. Future interviews were conducted mindful of variations in socio-economic status of constituents and ethnic variations within and between local authorities; as well as to account for extraneous factors impacting on population profiles such as seasonal tourism, sea/tree change movements into the area, or gentrification of particular suburban areas. Representation of metropolitan constituencies for example included variation along these dimensions for instance with the selection of a large ‘rapid-growth’ Western metropolitan council, with a young demographic, and diverse ethnic background, deliberately included in the study. Similarly two rural shires were selected because they were particularly affected by sea, or tree-change demographics, and subject to seasonal change in service needs because of their tourism attractions.

Thirdly, on the basis of emergence of the patterns and themes outlined in this chapter, a core category was established to conceptualize the ODPs main concern as identified with the umbrella themes ‘moulding and melding’ of the Best Value legislation in order to make implementation viable within local government constituencies. Moulding and melding activities were evidenced in relation to all six emergent themes identified, and the possibility that this category might also represent a basic social process would be investigated in the course of further interviewing. In the meantime, the core category Practicing Alchemy was mooted to provide conceptual grab, and to process key themes emerging so far from the analysis.

Why Practicing Alchemy?

While gathering the scoping data, I was reading a popular novel which made clever allegorical use of the alchemist’s journey to describe how the protagonist’s often perilous quest into the unknown was undertaken often with naivety, courage and sometimes quite surprising, outcomes. This prompted me to look up some details about alchemy which, I discovered, was the Middle-Ages precursor of modern day
pharmaceuticals. As I read on, many associations between the challenges faced by the ODPs I was interviewing as they dealt with the new and hastily instigated reform agenda of Best Value occurred. It struck me that the objectives of the alchemists who made a not dissimilar ‘journey into the unknown’ were similarly courageous and ‘generative’, hence the idea of a core category Practicing Alchemy. As a core category, practicing alchemy afforded a valuable metaphor for conceptualizing responses to the multi-layered operational contingencies ODPs faced in dealing with the Best Value agenda; and with the pragmatism entailed in melding and moulding to try and achieve ‘fit’ between the objectives of the Best Value and the operational realities of local authorities.

As with the pre-chemists, from the inception of Best Value it appeared from the scoping data that ODPs were essentially ‘working blind’, while carrying considerable responsibility for oversight of the new project of rule. Best Value objectives seemed as intransigent for the practitioners concerned, as trying to produce gold from base metals - without an instruction manual - must have been for the alchemists! Like the alchemists’ efforts to fuse gold from base metals, the ODPs struggled to achieve a ‘fusion’ of existing organizational culture and memory with the new and quite loosely specified program. The challenge included inventing suitable measurement routines, and identifying appropriate evaluation tools, when there was still little consensus about what Best Value is. Ways to make Best Value tangible and accessible within the local authorities, and for identifying how to deliver demonstrable Best Value outcomes, were diverse and contestable. Meeting dead-lines for the mandated review process, could easily contravene aims to further the duties covenant of the Best Value legislation for improving local governance through community consultation.

**Conclusion**

On the basis of the outcomes of the scoping study, revisions were made to the aide memoir to focus new questions on issues emerging from analysis of the scoping interviews (see Appendix 1B, Aide Memoir 2). The primary aim was now to elicit more detail on variations in how Best Value was interpreted, and about how perceptions of the legislation shape strategies adapted by ODPs to aid implementation. Factors influencing decision making processes to ensure reviews go smoothly and are
completed in a timely fashion would be investigated further. The relationship between local government authorities and the State Department of Victorian Communities (DVC) who, in conjunction with the Best Value Commission, oversee the review process and outcomes, would also be addressed, as ODPs shared a perplexed response to interventions into the Best Value process by these bodies.

When open coding was complete on data from the next round of interviews, this would be compared with codes emerging from the scoping study, and progressed via selective coding to discern overlap or divergence from the themes and coding categories discerned in the scoping data. In this way progression of the study would be further delimited.

The themes elaborated in this chapter represent the first step towards establishing the core category Practicing Alchemy to explain the ‘take up’ of Best Value within Victorian local government authorities. From subsequent stages of data collection, discussed in Chapters Five to Chapter Eight inclusive, the core category Practicing Alchemy, with its four sub-core categories or related forms of alchemic practice, are specified in detail as the basis of the parsimonious Grounded Theory, The Alchemic Life-Cycle. This theory is introduced in summary form in the following section, Chapter Four.
CHAPTER FOUR: A Basic Social Process - The Alchemic Life-Cycle

Introduction

This chapter opens with a discussion of the core category and Basic Social Process Practicing Alchemy, as represented in the emergent Grounded Theory ‘The Alchemic Life-Cycle’. The core category, Practicing Alchemy, was initially indicated as an outcome of analysing the scoping data, as documented in Chapter Three. In this chapter, it was shown how ‘moulding’ and ‘melding’ emerged as overarching themes conceptualizing the responses of organizational development practitioners to the challenges of implementing Best Value, in Victorian local government authorities, after changes to the Local Government Act in 1999.

With completion of interviewing and other data gathering for this research project, four stages of the Basic Social Process were discerned and conceptualized as the Alchemic Life-Cycle. By application of the method of constant comparison, four sub-categories of the core category Practicing Alchemy were identified as typical forms of alchemic practice predominating at different stages of the Alchemic Life-Cycle. Each stage of the Alchemic Life-Cycle with its attendant form of alchemic practice is briefly introduced in this chapter to provide an overview of the Grounded Theory generated by this research initiative.

In Chapters Five to Eight, each stage is presented separately with its associated properties and sub-properties examined in greater detail. These chapters depend heavily on vignettes and examples from the coded data firstly, to typify relevant contexts and conditions of the properties emerging from the data; secondly to conceptualize how alchemic practice is utilized to address and resolve the challenges presenting at each stage of the Alchemic Life-Cycle; and, finally to illustrate how different forms of alchemic practice are appropriated to continually resolve the ODPs main concerns in implementing Best Value in local authorities.

In Chapter Four, the emergent Grounded Theory is presented by providing a brief overview of each stage of the Alchemic Life-Cycle, and an introduction to the specific forms of alchemic practice predominating during each stage. The relationship between
the four stages is outlined to demonstrate that the Alchemic Life-Cycle can be understood both conceptually as a model of sites for particular forms of alchemic practice, and as stages that represent temporal units or a sequence of the Basic Social Process.

The Core Category and Basic Social Process

Alchemic practice is utilised by ODPs to discharge their responsibilities in implementing Best Value and resolve challenges confronted in mediating and managing the new, flexible project of rule. The management objective for ODPs is to identify and set up strategies and mechanisms to drive continuous improvement in service delivery within Victorian local government authorities. The task involves achieving Best Value as a duty, described through a performance management framework, to ensure Victorian local government authorities deliver services with clear quality and cost standards, as well as in a manner that is efficient, effective and responsive to community needs.

Each stage of the Alchemic Life-Cycle is characterised by specific problems for the Best Value ‘practitioner’, and although a particular form of alchemic practice may be directed at that stage to resolving these problems, resolution in one stage of the Alchemic-Cycle, either effectively generates different problems or foreshadows new challenges to making Best Value operational. Hence, alchemic practice is represented as a process model.

Given that the Best Value legislation is directed towards generating centrally specified on-going change (continuous improvement), rather than to a zero-sum output or end target (as the prior project of rule associated with CCT was), alchemic practice is partially a response to structural determinants. Alchemic practice is an outcome of the professional concern of Best Value practitioners with making the new project of rule operational. This must be achieved in a sustainable way, as well as comply with stipulated time frames to complete reviews that identify and address issues of continuous improvement within each service unit of the local authority, although alternative understandings of what constitutes service delivery may be evident.
Different forms of alchemic practice enable problem resolution to occur incrementally as a range of demands presents at each stage of implementing the reform agenda. These demands are mediated and juggled, by the ODPs, in the process of making Best Value operational. The first stage of the cycle for example, entails interpreting Best Value legislation. This necessitates that ODPs address the gap between the Best Value principles, and the lack of definitive procedural detail on how these are to be achieved.

In Stage Two, the main challenge is integrating the new legislation into the existing organizational culture of the local authority. This may be typified by resistance grounded in the experience of individuals in the business units concerned with the prior regimen of CCT. In Stage Three, issues relating to the development and conduct of review procedures must be resolved in order to address requirements of the legislation within the stipulated time-frame. While finally in Stage Four, the future course of the legislation must be mediated, as the first review cycle reaches completion and Best Value achievements are appraised at various levels of the governance hierarchy. The primary challenge is maintaining perceived gains in autonomy that are a consequence of alchemic practice during earlier stages of the alchemic life-cycle. Such outcomes are not necessarily intended consequences of the legislation itself.

The explanatory value of the Alchemic Life-Cycle lies in its conceptualization of the highly regenerative nature of responses by ODPs to Best Value, by providing a useful heuristic for exploring how learning may occur within public sector organizations as paradigmatic shifts in the governance agenda are dealt with. As a Grounded Theory, the Alchemic Life-Cycle accommodates the serendipitous nature of adaptation particularly resulting from how the ‘change practitioners’ (ODPs) respond to the multiple, complex, unanticipated, and interfaced contingencies presented by the new legislation. Organizational practitioners mediating the public sector modernisation project for local government are compelled to respond in a pro-active fashion. This presents a direct contrast to the ‘reactivity’ required by the prior project of rule. Response to the new legislation is highly agentic, rather than being constrained by bounded rationality.

The Alchemic Life-Cycle as a process model explains why Best Value practitioners, having met reporting deadlines set by the legislation for completion of first round reviews, willingly collaborate with external regulatory bodies in negotiating and reshaping Best Value, thus in grooming future iterations of the legislation. Advocacy is
grounded in the intangible learning ‘accounts’ in which ODPs have invested heavily by way of the alchemic practices utilized in implementing Best Value up until completion of the first reporting cycle in December, 2005.

The Alchemic Life-Cycle as a Process Model

The Alchemic Life-Cycle is a process model, with a core category of Practicing Alchemy which has four sub-categories. Each sub-category represents a conceptual facet of essentially temporally discrete stages within the cyclical process. The relationships implicit in the Alchemic Life-Cycle can be represented as follows: Practicing Alchemy (A) is an intervening variable, which functions to explain and/or interpret the contextual conditions (X) of the Best Value legislation, which in turn are a predictor (independent variable) for the highly varied nature of organizational development practitioners’ responses (Y₁,₂,₃,₄) to interpreting and implementing the legislation in local government authorities.

In order to implement Best Value in the local authorities, the legislation must make ‘operational sense’. For ODPs this entails a ‘sense making’ process with four temporal stages. At each stage, a different form of alchemic practice predominates although not necessarily to the exclusion of alchemic practices prevailing during other stages. The different alchemic forms (A₁, A₂, A₃, and A₄), function as intervening psychological variables between the two key variables. That is, between the contextual conditions (X) relating to the legislation and the ODPs actions, strategies or behavioural responses (A) to implementing the legislation (variable Y).

As a process model, the Alchemic Life-Cycle firstly explains the variation in cognitive reactions and behavioural responses (A) of Best Value practitioners to the contextual conditions of the legislation (X). Secondly, it facilitates identification of variations in behavioural response (Y) stemming from these contextual conditions (X). Thirdly, it enables identification of confounding variables and moderating factors which may be idiosyncratic in particular local government authorities. This includes factors such as rural-urban differences, population densities of specific constituencies, size of the local authority, management protocols and variations in strategies selected by Best Value practitioners. Such a model also accommodates factors such as changing regional
As a process model, the Alchemic Life-Cycle accommodates variations in how individual practitioners (ODPs) manage the task of implementation. This depends partially on their prior experience, and on how individual capacities and dispositions concerning community development interface with historical realities, and temporal precedents, in specific local authorities. In the course of implementing Best Value, practitioners continually, as it were, invest in ‘learning accounts’ to counterbalance the uncertainties they meet, mediate and resolve in directing implementation of the new governance project. The contents of these learning accounts, in turn, set significant parameters for how the legislation is interpreted (and re-interpreted, as the Alchemic Life-Cycle reaches completion and comes up for renewal) and implemented at the local
level. This plays a primary role in how the legislation is ‘groomed’ for future iterations of the Best Value imperative.

The Alchemic Life-Cycle as a Basic Social Psychological Process

An important distinction is made, concerning the nature of the Basic Social Process, by specifying two different types of Basic Social Process - the Basic Social Psychological Process (BSPP) and the Basic Structural Social Process (BSSP). The former, or BSPP, refers to social psychological processes such as ‘health optimizing’, ‘cultivating’ or other similar empirical descriptors that are clearly oriented to agentic processes (see Glaser, 1978:102). As the various forms of alchemic practice entailed in the Alchemic Life-Cycle are highly agentic, the indication is that in this research we are primarily concerned with a psychological form of the Basic Social Psychological Process (or BSPP).

The alternative form, the BSSP concerns social structural process represented in terms like bureaucratization, de-centralization and so forth. Glaser suggests: Perhaps the BSPP is more prevalent and relevant to understanding behaviour since one does not need the BSSP to understand it, but one usually needs a BSPP to understand the focus on a BSSP (1978:102). He cautions us that this question should be answered empirically for any particular study.

To this end it is clearly stated here, that as a process model, the Alchemic Life-Cycle although primarily a Basic Social Psychological Process, also involves elements of a Basic Social Structural Process, as outlined by Glaser. For example, Stage One of the process model, Legislative Filtering, is oriented to cognitive mediations of the ODPs as they ‘filter’ the legislation and grapple to make sense of uncertainties implicit in the modernization agenda and new governance rhetoric of the legislation. Thus, the focus of Stage One is ‘agentic’, entailing essentially psychological processes.

Any social action associated with Stage One, Legislative Filtering can be understood as ‘spin-off’ behaviour or a bi-product of cognitive mediations occurring at the subjective level where practitioners are processing problems in relation to situating Best Value in the local authorities. This means Legislative Filtering, in Glaserian terms, is foremost a
Basic Social Psychological Process. Despite the fact that Filtering is ‘triggered’ by structural changes (to the legislation), and that it is a response to an externally imposed statute, in keeping with our epistemological and ontological commitment to the interpretivist paradigm as discussed in Chapter Three, the various stages of the Alchemic Life-Cycle including Filtering and all interpretive acts related to making sense of the legislation - as well as ‘spin-off’ behaviours directly stemming from these mediations - are treated as unashamedly ‘micro’ socio-psychological processes.

**Alchemic Practice as an Intervening Psychological Variable**

The various alchemic forms (sub-categories of Practicing Alchemy) typified in the Alchemic Life-Cycle are intervening psychological variables as they have a necessary relation to resolving the problematic nature of patterns of behaviour, or issues, surfacing within specific local government units at different temporal stages of implementing Best Value. Functioning to make Best Value legislation operational by melding and moulding (as discussed in Chapter Three), alchemic practice underwrites the interface between the legislation and the local authority, community and constituents represented by Victorian local government bodies. Alchemic practice represents ODPs strategic responses to contingencies stemming directly from the local authority and the community; or extending from the external organizational hierarchy and apparatus of the State, as they strive to meet requirements of the legislation on a day to day basis.

By resolving cognitive and pragmatic uncertainties generated by the Best Value legislation, different forms of alchemic practice allow ODPs to remain optimistic about ‘doing’ their job, and to stay ‘compliant’ with the (flexible) boundaries of the legislation. Alchemic practice, as entailed in the process model, presents in the first instance as interpretive alchemy to make the implementation task ‘thinkable’ for the ODPs. Making sense of the Best Value principles is a necessary requisite for the legislation to become ‘saleable’ within the organization. This is achieved by alchemic conjuring in the second stage of the process model. Alchemic practice at the core of the moulding and melding to make Best Value operational, presents in Stage Three, Praxis, as alchemic procurement. This form is fundamental to establishing the review process. In the final stage of the Alchemic Cycle, Legislative Grooming, regenerative alchemy is the predominant form, as ODPs engage in shaping future iterations of Best Value for the
Victorian local authorities. The Alchemic Life-Cycle is diagrammed in Figure 4.2, followed by a discussion of the stages of the model and their basic phases.

**The Four Stages of the Alchemic Life-Cycle**

**Stage One Legislative Filtering**
Practice of the interpretive form of alchemy, in Stage One, entails ‘sense making’ mediations directed to unravelling the intricacies of the new legislation including determining the meaning of Best Value for particular authorities. This stage involves subjective mediation where, via filtering, the legislation is de-mystified to make it ‘thinkable’. This allows for the evolution of subjective cognitive scaffolding for ODPs and functions provisionally to provide a platform for making Best Value operational. Legislative Filtering has three phases, as summarized in Table 4.1.
Table 4.1  The Phases of Stage One, Legislative Filtering

<table>
<thead>
<tr>
<th>STAGE ONE</th>
<th>Predominant Form of Alchemic Practice</th>
<th>Phases of Stage One</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative Filtering</td>
<td>Interpretive Alchemy</td>
<td>Phases of Filtering</td>
</tr>
<tr>
<td></td>
<td>Supports cognitive adjustment of ODPs to Best Value and underwrites associated behaviours directed to making the legislation ‘thinkable’</td>
<td>• Bridging the gap (context)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Soliciting (strategy)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Constructing Situated Readings (consequence)</td>
</tr>
</tbody>
</table>

**Outcome:** Regulatory Control is internalized by the ODPs to the extent that the challenges of Bridging the Gap are able to be subsumed by construction of Situated Readings (of the LGAs vis-à-vis Best Value). Based on these cognitive maps, ODPs can address the challenge of integrating the legislation into the local organizational sub-culture, thereby making Best Value ‘thinkable’ for other staff.

The first phase, Bridging the Gap, entails contextual properties and conceptualizes how ODPs process, and make sense of, Best Value given the uncertainty stemming from the flexible form of the legislation; and the implicit tensions between the performance management statutory aspect and the duties rhetoric of Best Value. Properties associated with Bridging the Gap indicate the need for practitioners to determine how judgments should be made about the meaning of Best Value, and to gauge how achievement of Best Value can be measured. Re-siting regulatory control to the local level is also necessary if ODPs are to implement Best Value successfully.

The second phase of Legislative Filtering, Soliciting, conceptualizes both the strategies used to seek information, and the ODPs efforts to affirm their own mediations concerning interpreting the legislation to ‘Bridge the Gap’. In Stage One, this entails establishing tentative contact and linkages with other Best Value practitioners in neighbouring authorities, or finding Best Value ‘allies’ within their own organizations. This enables ODPs to cross check the outcomes of their subjective processes of legislative filtering.

The third phase of Filtering, Constructing Situated Readings, conceptualizes the consequences of ODPs mediations to Bridge the Gap, and of Soliciting. This phase is contingent on the manner in which the ODPs deploy interpretive alchemic practice, in
prior phases, to develop a subjective representation of their local authority vis-à-vis the Best Value legislation.

Thus, via interpretive alchemy initial uncertainties concerning the course of action required to implement the new legislation are temporarily resolved in Stage One of Legislative Filtering. ODPs are ‘readied’ to take the next step towards realizing Best Value as a demonstrable outcome with respect to service delivery. Interpretive alchemy functions to assuage uncertainties associated with the new ‘duties’ rhetoric of Best Value, and to support adaptation to a more compelling discourse of community engagement. Although measurement issues become the tangible focus for Bridging the Gap, during Stage One, the procedural issue of how to go about measurement of value remains unresolved at this stage despite the social interaction and interpretive alchemic practice associated with Soliciting.

In concert, the mediations of Stage One of the Alchemic Life-Cycle function to make requirements of the legislation ‘think-able’ for ODPs, enabling them to assume local leadership and guidance for operational staff of all units within their organizations in order to implement the program. Prior experience within the local authority or elsewhere, can act as a filter, meaning interpretive alchemic practice may be distilled in ways that influence how the reform program is constructed by ODPs as a Situated Reading relative to their organization. The Situated Readings represent the outcome of the third and final phase of Legislative Filtering.

Construction of Situated Readings as the outcome of filtering activities in Stage One, means there is cognitive scaffolding for integrating the legislation into the local authority. This occurs during Stage Two of the Alchemic Life-Cycle, Legislative Smoothing. Transition from the sense making mediations in the cognitive domains of Stage One, to the more pragmatic activities of the second stage of the Alchemic Life-Cycle - Legislative Smoothing - is commensurate with the manner in which ODPs construct their Situated Readings at the outcome of Stage One, Legislative Filtering.

**Stage Two Legislative Smoothing**

In Stage Two, Legislative Smoothing, the sense making activities typical of Stage One give way to more practical effort to integrate the legislation into the local authority.
Resolution of challenges during the second stage of the Alchemic Life-Cycle, Legislative Smoothing, relies predominantly on deployment of a new alchemic form, ‘conjuring’. Alchemic conjuring is appropriated, by Best Value practitioners, to ensure the new legislation is perceived as ‘do-able’ by others in the organization - particularly operational staff. As the outcome of Stage Two, a pragmatic orientation to the legislation is established, meaning Legislative Smoothing represents a critical intermediate stage between Stage One, Legislative Filtering, and Stage Three, Legislative Praxis. Legislative Smoothing includes the three phases Repairing, Selling and Knowledge Brokering, as summarized in the following chart.

Table 4.2 The Phases of Stage Two, Legislative Smoothing

<table>
<thead>
<tr>
<th>STAGE TWO</th>
<th>Predominant Form of Alchemic Practice</th>
<th>Phases of Stage Two</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative Smoothing</td>
<td>Alchemic Conjuring</td>
<td>Phases of Smoothing</td>
</tr>
<tr>
<td></td>
<td>Supports ODPs in generating a shift in organizational culture to ensure the legislation can be construed by staff as ‘do-able’.</td>
<td>• Repairing / healing (context)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Selling / procuring allies (strategy)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Knowledge Brokering (consequence)</td>
</tr>
</tbody>
</table>

Outcome: Mediation of their Situated Readings relative to organizational culture in the LGA, along with Knowledge Brokering activities, enables ODPS to construct a Pragmatic Orientation and foundation from which they can proceed to making the legislation operational.

Each phase of Stage Two, Legislative Smoothing, has associated properties, and these are affected by a range of moderating variables. These are discussed in more detail in Chapter Six. The alchemic practice ‘conjuring’, predominating in Stage Two, is adopted both as a consequence, and corollary, of the need to get operational staff on board with the objectives of Best Value. The main challenge, in Stage Two, is generating acceptance of Best Value in local authorities. This depends on establishing shared meanings about Best Value, as well as on reassuring operational staff that both quality and cost standards can (and must) be addressed, and accounted for, in responding to the new legislation. Conjuring is the means for making Best Value viable and ‘do-able’ (rather than simply ‘thinkable’ as a management strategy) at the coal-face. Conjuring, as a form of alchemic practice, represents a transformative orientation for the Best Value
practitioners, signalling that they assume responsibility for implementation, making them both actors and leaders in the Best Value process.

Repairing, a contextual variable represents the first phase of ‘Legislative Smoothing’. It is directed toward promulgating the ‘self-determination’ rhetoric of Best Value, to ensure a critical mass of individuals in the local authority, willingly embraces the new legislation. Conjuring functions to give operational staff the perception that a change to Best Value is ‘do-able’, and this includes mitigation of cynical responses towards centrally issued reform directives. Alchemic conjuring is critical for aligning individual subjectivities, particularly those with prior experience of CCT, with the new project of rule and Best Value objectives. Conjuring functions to allay suspicion, including mitigating cynical or sceptical responses towards centrally issued reform directives. Such responses may also stem from the council executive, or elected representatives of the councils, but are most likely at this stage to be expressed by operational personnel directly implicated in the review process. As documented in Chapter Three, the prospect of reviews generates high levels of angst, particularly for ground staff who are uncertain about how the mandated reporting regimen will impact on doing their jobs.

During the second phase of Legislative Smoothing, Selling, organizational mindsets negative to Best Value are modified by means of alchemic conjuring as resistance to the new legislation is alleviated. Selling involves strategic effort, as ODPs respond to the challenge of integrating the legislation into the local authority. Conjuring is employed to modify constraining aspects of organizational culture, and to endorse attributes and behaviours that make integration of the legislation easier. Alchemic conjuring functions to identify and modify structural residuals from the CCT period, such as break down of teams; loss of functions through tendering; the ‘silo’ effects between work units, and the concomitant loss of clear intra-organizational communication channels. The objective of conjuring is to generate optimism about potential personal and organizational benefits of the new project of rule.

The third phase of Legislative Smoothing, Knowledge Brokering, conceptualizes the processes via which ODPs begin to build a knowledge base, both to enhance their understandings of Best Value, and to generate affirmation of ideas for implementing the legislation in the local authority. Knowledge Brokering builds on the Soliciting
activities of Stage One, and contributes to the Situated Readings constructed by ODPs as an outcome of mediations in the cognitive domains associated with Legislative Filtering. Alchemic conjuring is directed to identifying interstices with other organizational practitioners, and to establish loose support networks that counterbalance the lack of procedural guidance in the legislation itself.

As a highly regenerative response to the contextual circumstances, ODPs during Stage Two, begin collaboratively to embrace an agenda of self-determination for their local authorities. Alchemic conjuring practices enable them to work cooperatively to find ways for generating acceptance for the required service reviews, by building on the Soliciting occurring during Stage One. In the earliest stages of implementing the reform, Knowledge Brokering occurs at an interpersonal level, but in later stages it becomes more formalized to provide consolidated knowledge networks as documented in Stage Four, Legislative Grooming. These networks evolve to include regional alliances, task oriented working parties and professional bodies.

This tendency to group formation and the exchange of relevant information illustrates a structural outcome that is a consequence of the agentic role of conjuring, and other forms of alchemic practice, operative throughout the Alchemic Life-Cycle. Conjuring represents a highly transformative practice, with respect to the Best Value process, functioning to mould new organizational discourses of service delivery, but it is not necessarily always an anticipated consequence of the legislation.

In temporal terms Stage Two, Legislative Smoothing represents a transition period for local authorities. As such, it signals a shift away from the residual organizational culture of the prior legislative regime of CCT, to the Best Value agenda. As outlined in Chapter Three, participants regarded the prior period as one of ‘hostile legislation’, as well as pointing to significant collateral damage to local infrastructure and the social fabric of their communities resulting from the impact of CCT, council amalgamations and downsizing.

Alchemic conjuring is directed mainly to transformations at the inter-personal level. It represents ‘how’ resistance to the new legislation is resolved in early stages of the Alchemic-Cycle. This is achieved by packaging Best Value in non-threatening language
and making it saleable particularly for individuals who are bearers of CCT (spoiled) identities. Legislative Smoothing is a response to contextual conditions, with alchemic conjuring functioning to alleviate negative residuals from the prior regime such as change weariness, job insecurity, and general resistance to operational changes. Best Value practitioners ‘conjure’ to generate positive individual understandings of Best Value so as to re-mould the subjectivities of operational staff within business units. In this way, more congruence is also generated between local authorities as shared understandings of the Best Value principles are improved. Informal knowledge liaison activities assist with affirming, modifying or re-situating the Situated Readings of the organization constructed by ODPs, in Stage One of the Alchemic Life-Cycle.

Skills and attributes brought by ODPs from other industry sectors, or from other roles within the sector, may influence how ODPs mediate challenges particularly in Stage Two. The outcome of Stage Two is that the Situated Readings of the local authorities constructed in Stage One, are added to or modified to become Emerging Pragmatic Orientations in Stage Two, providing ODPs with the basis for mobilization to implement Best Value legislation during Stage Three, Legislative Praxis.

Stage Three Legislative Praxis
As a result of alchemic conjuring practices during Stage Two, there is sufficient momentum in local authorities to address the challenges associated with the third stage of the Alchemic Life-Cycle. Stage Three, Legislative Praxis, depends on a different form of alchemic practice to those forms predominating in the two earlier stages, namely alchemic procurement. The key challenges of this stage are initiating and conducting reviews in all service units in the authority, and achieving this in a timely fashion. This is a complex task.

During Stage Three, alchemic procurement functions to ‘actualize’ the legislation as ODPs confront issues of organizational capacity, including skill deficits and technological shortfalls. Legislative Praxis entails accommodation of basic procedural details to set the review process in motion, such as making scoping decisions, selecting a methodology and developing timelines. Alchemic procurement is directed to establishing strategies for timely completion of reviews and addressing reporting requirements. The three phases pertaining to Legislative Praxis are Orchestrating the
Review, Delivering Hierarchical Fit and Corroborating Choice, as summarized in the table below.

Table 4.3  The Phases of Stage Three, Legislative Praxis.

<table>
<thead>
<tr>
<th>STAGE THREE</th>
<th>Predominant Form of Alchemic Practice</th>
<th>Phases of Stage Three</th>
</tr>
</thead>
</table>
| Legislative Praxis | Alchemic Procurement  
Underwrites behaviours and processes associated with making Best Value operational and ‘demonstrable’ by producing the reviews for each service unit. | Phases of Praxis  
- Orchestrating the Review (context)  
- Delivering Hierarchical Fit (strategy)  
- Corroborating Choice (consequence) |

Outcome: Via Orchestrating the Review, in keeping with internal and external regulatory needs, ODPs deliver demonstrable Best Value outcomes. Experiential learning stemming from the review process provides a foundation for emergence of the regenerative alchemic form. Corroborating Choice, as a concrete representation of the duties provenance of Best Value, fosters awareness of achievements in local autonomy. From this basis ODPs assume a key role in negotiating directions for a renewed cycle of implementation.

Mediations of the prior stages of Legislative Filtering, and Legislative Smoothing, set the parameters for attending to the details of Legislative Praxis. For example, if the ODP’s Pragmatic Orientations, established as the outcome of Stage Two, prove misaligned with the objectives of review completion the alchemic procurement may be directed to modifying procedures or time lines initially established for the review processes.

The first phase Orchestrating the Review, includes contextual variables related to the decision making associated with selecting a review process and methodology. Previous experiences with organizational quality auditing processes, or strategies learnt via Knowledge Brokering, during Stage Two, may play a role during this phase. In some instances, the processes used are inherited from predecessors and may be unfamiliar for the ODPs. An order must be established for conducting reviews, and level of focus decided upon, so during this phase alchemic procurement may be directed to resolving issues concerning standardization, evaluation methods, and accountability in the
reporting process. It may also be appropriated to maintain momentum so reviews stay aligned with mandatory review deadlines.

Finally in line with addressing the contingencies of Maintaining Momentum, during this phase procedures may be adopted to adjust the review process to differing capacities of business units involved. Tailoring conceptualizes the modification of processes, or timelines, set up when the review process was initially established. Alchemic procurement enables a ‘re-scoping’ or tailoring of the review process to occur to ensure timely completion.

The second phase of Legislative Praxis, Delivering Hierarchical Fit, concerns strategic responses to the challenge of ensuring review procedures meet with internal and external regulatory expectations. Alchemic procurement works to dovetail the review process with requirements of various stakeholders including Councillors, who must ratify reviews before they are submitted to the Best Value Commission. Pockets of resistance to the decisions made about Orchestrating the Review within the local authority, and stemming from the external hierarchy, are addressed during this phase as alchemic procurement is directed towards resolving issues of accountability to the central government authority, and reports are submitted to the Best Value Commission.

In the third phase of Legislative Praxis, Corroborating Choice, the main focus for alchemic procurement is demonstrating how the duties covenant of Best Value is addressed by the review process, and demonstrating how reviews work to generalize local discretion in the community. As community expectations may be unrealistic, in terms of resources available, this phase also includes the problematic of managing their expectations. This depends to some extent on mobilizing strategies to provide feedback to the constituency, as well as on identifying and addressing specific demographic and geographical contingencies of the local community.

In all three phases of Legislative Praxis, Best Value practitioners remain basically uncertain as to whether reviews tabled with the Best Value Commission are up to scratch or not. Feedback on review outcomes is initially slow, or non-definitive. With completion of the first review cycle in December, 2005, and all reviews tabled with the Best Value Commission, ODPs gain significance as bearers of ‘praxis’ concerning the
new program of rule. As key social actors in the application of Best Value, in the operational context of Victorian local government, they have significant experiential knowledge of what ‘constitutes’ Best Value in an operational sense.

Reviews in many respects signify a tangible outcome of accumulated experiential learning from the five year period, since the inception of Best Value, at the completion of the first reporting cycle. As they serve to demonstrate how Best Value Corroborates Choice in local authorities, alchemic procurement is foundational for the fourth and final stage in the Alchemic Life-Cycle. Represented as Legislative Grooming, in the fourth stage, alchemic practice becomes regenerative and transformative as the Alchemic-Cycle comes to a close, and a new iteration of Best Value is born.

Stage Four Legislative Grooming
Essentially, Stage Four conceptualizes how ODPs become ‘repositioned’ within the external governance hierarchy as a result of their experiential learning. It does this by conceptualizing how the alchemic imperative becomes directed, in the later stages of the Alchemic-Cycle, to maintaining perceived gains in the autonomy achieved locally, in the first round of implementing Best Value. This repositioning takes place in ways foreshadowed (by the flexible terms framing the legislation), but not necessarily anticipated in the original legislation.

Based on continuous effort of ODPs to resolve primary challenges, and key concerns with making Best Value operational at each stage of the Alchemic-Cycle, this imperative is recognized by other actors in the governance hierarchy, and responded to with deference as the legislation is appraised and reconstituted. The fourth stage of the Alchemic Life-Cycle has three phases, Consolidating Knowledge Networks, Soothsaying and Reconstituting Place. These phases are summarized in the following table.
### Table 4.4 The Phases of Stage Four, Legislative Grooming

<table>
<thead>
<tr>
<th>STAGE FOUR</th>
<th>Predominant Form of Alchemic Practice</th>
<th>Phases of Stage Four</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative Grooming</td>
<td>Regenerative Alchemy</td>
<td>Entails collaborative advocacy by the ODPs to ensure the experience of practitioners plays a foundational role in shaping the future course of the legislation.</td>
</tr>
<tr>
<td></td>
<td>Phases of Grooming</td>
<td>- Consolidating Knowledge Networks (context)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Soothsaying (strategy)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Reconstituting Place (consequence)</td>
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</table>

**Outcome:** By way of Consolidating Knowledge Networks, in Stage Four, ODPs engage in Soothsaying practices whereby they anticipate a further Generalizing of Local Discretion. Regenerative alchemic practice is appropriated to maintain perceived gains in local autonomy with the consequence of considerable ‘in-put’ from ODPs into new guidelines that effectively foreshadow a renewed cycle of implementation to achieve ‘better’ Best Value.

In this final stage of the Alchemic Life-Cycle, a highly regenerative alchemic form predominates. As the future course of Best Value is anticipated in local authorities, ODPs mediations turn to influencing the future direction of Best Value based on aggregated experience from the prior stages of the Alchemic-Cycle. Regenerative alchemy is a qualitatively different form of practice from the forms predominating in earlier stages of the Alchemic-Cycle, because in the fourth stage of the Alchemic-Cycle, a convergence of all prior phases of alchemic practice occurs. This regenerative alchemic imperative underwrites the accumulated experiential learning emergent, as the basis of advocacy, for maintaining local identity and Place.

First, the contextual phase Consolidating Knowledge Networks, is indicative of the communities of practice that have gradually coalesced from regional, professional and informal exchange and interaction. These assume a function as an institutional framework, within which the experiential learning of ODPs can be leveraged. How this occurs depends on strategic behaviours that depend on how ODPs interpret, and respond to, anticipated directions concerning the future course of Best Value as completion of the first review cycle is achieved.
The second ‘anticipatory’ phase, of Legislative Grooming, is called Soothsaying. Being speculative, this phase is less tangible than the Consolidated Knowledge Networks. As the first reporting cycle ends, highly predictive reflection about the likely course of the legislation is rife amongst operational personnel, as well as in the now formal knowledge networks. Practitioners once again address similar uncertainties to those prevailing at the inception of the legislation. Regenerative alchemic practice comes into play, represented as advocacy, to ensure experiential learning from the previous five years of implementation is recognized. The advocacy reflects deep seated concerns about future reporting requirements and with how planning processes can be interfaced with Best Value objectives, and funding protocols. Soothsaying represents ODPs strategic responses to Best Value as it becomes the focus of evaluation, rather than a policy instrument that has to date been a vehicle ‘driving’ continuous improvement and the review process.

Best Value becomes a thing ‘Phoenix-like, rising from the ashes’ for some ODPs who engage directly with producing new guidelines for future iterations of the legislation, as part of the activities within the Consolidated Knowledge Networks. For others, Soothsaying activity is tempered by revisiting earlier struggles to make Best Value operational. Some practitioners are cynical, perceiving the production of new guidelines by various working parties for a whole of organization approach to Best Value, as an ‘after-the-event’ reconciliatory approach.

The third, and final, phase and outcome of Stage Four is conceptualized as Reconstituting Place. It is indicative of ODPs concerns to defend gains in local autonomy, ensuring these are maintained, and that a generalization of local discretion continues to occur. This phase is less speculative than Soothsaying, and it includes proactive imperatives to minimize control from central regulatory bodies. Paradoxically this occurs by means of overt collaborative interaction between local authorities and State representatives.

As a consequence of Soothsaying, ODPs represent their local authorities by showcasing practical achievements within the Consolidated Knowledge Networks, particularly in forums with State representation present. Understandings of Best Value are now formulated and presented as ‘organizational learning’. Critical appraisal is also directed
to factors that constrain potential learning and organizational renewal on the basis of experience across the local government sector, and more specifically within local authorities. Regenerative alchemy functions both to maintain and further perceived gains in local autonomy achieved to date.

As a consequence of the Consolidating Knowledge Networks and Soothsaying, and as a result of regenerative alchemic practice, recouping from the losses of autonomy during the prior project of rule (CCT), are identified as gains of Best Value. This autonomy is fiercely defended. ODPs realize their authorities can be further protected against erosion of autonomy by continuing to generalize local discretion, so Reconstituting Place occurs through mobilisation of regional alliances and networks that emerged initially to assist in interpreting and allaying uncertainty about the new Best Value legislation.

As the final stage of the Alchemic-Cycle, Legislative Grooming, contextualizes the alchemic imperative as the core category throughout the Alchemic-Cycle, and the significant role it plays in counterbalancing the lack of consensus on the operational meaning of Best Value, particularly typical of the earlier stages of the Alchemic-Cycle. With ODPs now recognized as key players in mediating the future course of the legislation, regenerative alchemic practice ensures practitioner experience is validated by the State bodies that ultimately control the next iteration of the legislation. This, in turn, initiates a new Alchemic Life-Cycle.

**Organizational Learning and Strategic Renewal**

Stage Four, of the Alchemic Life-Cycle, constitutes the institutionalization of experiential learning from all stages of the Alchemic-Cycle. Service reviews submitted by local authorities to the Best Value Commission, along with the Commissioner’s reports, represent a tangible audit of Best Value as operational practice since inception in Victorian local authorities. It is at this stage of the Alchemic-Cycle that capacity exists for power differentials across the governance hierarchy to become reordered as Best Value practitioners become a critical resource for reappraisal of the legislation.

March’s (1991) argument that organizational renewal depends on simultaneously exploring and learning new ways, while exploiting what has already been learnt in the
organization, resonates closely with the outcomes of Stage Four, but also at other stages of the Alchemic-Cycle with the primary challenge for ODPs being the balancing and harmonizing of the demands for both continuity and change, as the Best Value program is moved forward in the local authorities.

The trial and error nature of making Best Value operational, during the first three stages of the Alchemic-Cycle, and the variable strategies of Legislative Praxis, obviate the possibility of conflating outcomes of Best Value legislation to date with maximal learning outcomes for strategic renewal. Explore and exploit are operative words, with regenerative alchemic practice underwriting the primary goal of strategic organizational renewal, as well as the transition to a renewed cycle of alchemic practice. Regenerative alchemy, in this way, functions to mediate both positive and negative organizational learning outcomes within the local authorities.

The regenerative alchemic practice predominating in Stage Four of the Alchemic Life-Cycle includes reflective processes linking this stage back to mediations and outcomes of earlier stages of the Alchemic Life-Cycle. New meanings and substantive shared understandings emerge in the course of the Life-Cycle about the Best Value principles. These function to shape the future course of the Best Value legislation, and ironically, six years after inception of Best Value in the Victorian local government sector, a primary objective for the State regulatory body is supporting production of guidelines for a whole of organization response to Best Value, from within the sector itself.

The tangible outcome of Stage Four, Legislative Grooming, is development of a set of written guidelines logically foreshadowing a renewed cycle of implementation to achieve ‘better’ Best Value. As the objective of the central authority remains to ensure that a consistent response to Best Value continues, the regenerative alchemic practice and the mediations of the emergent Knowledge Networks are transformed. Becoming a source of collaborative endeavour between different levels of the governance hierarchy, a renewed cycle of implementation is signalled, along with the beginning of another Alchemic Life-Cycle.

The regenerative alchemic form is a key to on-going problem resolution. It is also relevant to the renewal of the Alchemic Life-Cycle, but is primarily evident in the
fourth and final stage as the future direction for local government authorities, vis-à-vis the central authority, is determined. The phrase *maturation of the sector* is used freely at this stage by representatives of different (and once essentially contested) levels of the governance hierarchy signifying the efficacy of regenerative alchemic practice in Stage Four.

**A Substantive Grounded Theory of Implementation of Best Value in Victoria**

The Alchemic Life-Cycle provides a grounded explanation of the management and implementation of a new project of rule in the complex public sector organization represented by Victorian local authorities investigated in this research. By demonstrating how Best Value is operationalized, with emphasis on the role of ODPs; and as a heuristic for examining the implementation of public sector reform, it is suggested a range of ‘alchemic practices’ are utilized as the modernization program of Best Value unfolds in ways that are compatible with the needs and requirements of several different levels of the governance hierarchy, and to an extent, the community.

As a process model, the Grounded Theory of the Alchemic Life-Cycle accounts for the tensions entailed in governance that is based on both a performance management framework and a duties covenant. It explains how these ‘play out’ in a context of complex organizational and environmental constraints that further compound the task of implementing the program. Funding protocols, issues of organizational capacity, time constraints, appropriate evaluation and review methodologies, and organizational cultural residuals from prior ‘hostile’ legislation receive no lip service in the new legislation, but these factors must be dealt with as part of making the new project of rule operational. Alchemic practices coexist throughout the alchemic life cycle, as practitioners juggle and balance demands of achieving this objective.

As procedures for achieving Best Value were not initially clearly specified, persistent and continuous tensions are evident as ODPs negotiate and mediate the on-going challenges conceptualized by the stages of the Alchemic-Cycle. Alchemic practice enables both individual cognitive states (subjectivities of the ODPs and operational managers concerned) and social action to be adjusted, modified, revised or transformed as the Best Value principles are moulded and melded to *become* operational practice.
These also generate and underpin the emergence of changing structural relationships within and between organizations, at different levels of the governance hierarchy as the alchemic imperative enables ODPs to negotiate the complexity and mutability.

Theorizing process is necessarily complex, but Glaser reassures us it is always difficult to order variables temporally when doing fieldwork. He suggests analysts should assume a position of generating hypotheses, rather than facts to mitigate this problem: ‘it is on the factual level that temporal order is debatable. Hypotheses are merely suggestions’ (1978: 79). This would support formulation of a dynamic cyclical model with stages, such as the Alchemic Life-Cycle. As a parsimonious theory of program implementation, the various forms of alchemic practice are understood as relatively unpredictable intervening variables connecting the intent of Best Value legislation with operational outcomes or what materializes as Best Value in practice. Such a model makes no claim to providing guidance on the question of what constitutes ‘best practice’ Best Value.

Glaser argues Basic Social Processes (BSP) such as the Alchemic Life-Cycle, once established, account for patterns of behaviour most relevant and / or problematic for participants in a study. In the context of the Alchemic Life-Cycle, the first three stages including Legislative Filtering (demystifying and interpreting the legislation to provide a situated reading of the organization vis-à-vis the legislative change); Legislative Smoothing (conjuring to situate and integrate the legislation within the local authority to make it ‘do-able’ for ground staff); and Legislative Praxis (the procurement activities needed for conducting the review process), account for and explain the persistence of the regenerative responses required over a prolonged period to implement new legislation.

As a Basic Social Process depending on alchemic practice, the Alchemic Life-Cycle elucidates why practitioners engage in overtly collaborative ways to formulate how Best Value will move forward in the future by ‘grooming’ the legislation with the central authorities who oversaw the legislation, and left them as marginal in the first instance. By continuing to engage in moulding and melding, future permutations of the legislation are leveraged on the basis of cumulative experiential learning grounded in everyday practice, as the first reporting cycle for the legislation is completed.
Alchemic practice is perpetrated to interpret and de-mystify Best Value legislation, render it manageable and feasible for specific local authorities; while simultaneously meeting (and moulding) requirements of the central regulatory authority. The Alchemic Life-Cycle, as a heuristic, provides insight on both the logistics of implementation of Best Value, as well as in explaining how ODPs maintain credibility and accountability as agents of organizational change in Victorian local authorities.

The heuristic can explain why, in the majority of cases, Best Value practitioners remain optimistic about the legislation, and willingly enrol as collaborators in determining future orientations for the legislation. It also accounts for the enormous variation in how Best Value has been responded to and taken up in the Victorian case. The social-psychological problem solving aspects of The Alchemic Life-Cycle are evident. Best Value is situated, managed and made operational in local authorities regardless of complex environmental and structural constraints impacting on such a public sector modernization project. Insight is provided into how new projects of rule can assume a life of their own, in the hands of practitioners responsible for implementation, as they mould the Best Value process, and operate to leverage both the course and content of legislation within a highly complex bureaucratic structure.

**Conclusion**

This chapter provides a brief overview of the relationships between all stages and phases of the Grounded Theory of The Alchemic Life-Cycle. It also clarifies the four sub-categories of the core category, Practicing Alchemy, and how these relate to each stage of the Alchemic-Cycle. The emergent themes of the scoping data discussed in the previous chapter are endorsed, and expanded upon, by fully elaborating the emergent theory derived by continued application of the method of constant comparison to all data gathered subsequent to the first analysis. As an outcome of theoretical delimitation the parsimonious Grounded Theory of the Alchemic Life-Cycle was derived as presented above to demonstrate how those responsible for implementing Best Value resolve their main concern.

In summary, (see Table 4.5), the core category ‘Practicing Alchemy’ and its subcategories provide a central integrating construct for the stages of the Alchemic Life-
Cycle, facilitating examination and explanation of the structural complexities and difficulties confounding efforts to make Best Value operational. Together, the Core Category, Practicing Alchemy, and BSP ‘The Alchemic Life-Cycle’, explain how practitioners responsible for implementing Best Value utilize various forms of alchemic practice to resolve their primary concerns. While alchemic practice is variable throughout the Alchemic Life-Cycle, different forms pre-dominate at each stage of the cycle. Predominance of one form or another, at any stage, does not preclude the presence of other forms of alchemic practice at that or any other stage of the Alchemic-Cycle.

Implementation of Best Value, as the following four chapters will determine evolves as the outcome of continual resolution of the non-trivial tasks of interpreting the legislation and situating it within their local authority by making the legislation meaningful within the local context. Experience evolves from on-going trial and error attempts of making sense of and responding to the legislation, rather than from clearly established directives. Interpretations of Best Value do not precede implementation so much as evolve in parallel with it, occurring in an iterative, serendipitous fashion. Practitioners rarely have the luxury of making their task ‘thinkable’ before it has to be done. However, alchemic practice assists with mediating and providing this context for others in the organization, returning us to the metaphor of alchemy.

As with the Alchemists (or pre-pharmaceutical chemists), from the inception of Best Value, the practitioners interviewed for this study play a highly regenerative role but do this while essentially ‘working blind’. The core category Practicing Alchemy, is in no way intended to be associated with the antics of ‘quacks’, as the endeavours of the earliest alchemists are sometimes represented. Indeed, alchemy provided significant foundations for modern chemistry, and alchemists perceived their work as serious and scholarly as evidenced by the complex lexicon that grew alongside alchemic practice. Likewise, organizational practitioners charged with the responsibility of making Best Value operational are highly professional and earnestly embrace the spirit of the legislation, often labouring in the face of significant resistance to Best Value objectives within their organizations.
This dedication to task parallels the diligence and persistence of the alchemists in their role as early chemists. As a gerund construct the Alchemic Life-Cycle conveys the notion of ‘working blind’, and the momentous challenges involved. While ODPs contribute to articulating, influencing and even mobilizing a whole of organization response to Best Value, they have little control of the ultimate outcome in terms of how local authorities and constituents respond to a new program of rule, or the learning objectives implicated in fundamental strategic renewal.

As a core category, Practicing Alchemy redresses the relatively neglected empirical status of organizational practitioners, or their equivalent, as key mediators of changes to projects of rule in the public sector. However this research demonstrates that they provide a valid focus for inquiry. The flexibility of the initial legislation required ODPs to assume self-regulatory ‘subjectivities’, and to co-opt other members in their authorities to align with Best Value objectives in a similar way. Ultimately, this must extend to constituencies in which councils operate for Best Value to be ‘deemed successful’.

Accommodation to Best Value legislation should be understood as an outcome of persistent regenerative behaviours and the experiential learning occurring throughout the Alchemic Life-Cycle, and as the end-product of alchemic practice. Learning often occurs serendipitously for both practitioners and the organization, and operationalizing the legislation may occur by default as well as by design. The iterative nature of alchemic practice during the four stages of the Alchemic Life-Cycle, and predominance of particular alchemic forms at each stage of the model provide insights as to why this is the case. The value of the Alchemic Life-Cycle as a gerund construct is in its potential to conceptualize the agency required to make Best Value operational in the Victorian LGAs examined here.

Material from the scoping interviews, and data gathered subsequently on the basis of parameters established from the scoping analysis, form the basis of this chapter, including the emergence of the sub-categories of the Core Category, Practicing Alchemy, and four stages of The Alchemic Life-Cycle. The following chapters demonstrate in more detail, why practitioners responsible for implementation of Best Value in local authorities, at each of the four stages of the Alchemic-Cycle give the
impression that, like the early chemists, they are condemned to ‘working blind’ to achieve the unlikely objective of producing gold from base metals.

Table 4.5   Overview of the four stages of the Alchemic Life-Cycle

<table>
<thead>
<tr>
<th>STAGE ONE</th>
<th>Form of Alchemic Practice</th>
<th>Phases of Stage One</th>
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<tbody>
<tr>
<td>Legislative Filtering</td>
<td>Interpretive Alchemy</td>
<td>• Bridging the gap (context)</td>
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<td></td>
<td>Supports cognitive adjustment of</td>
<td>• Soliciting (strategy)</td>
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<td></td>
<td>ODPs to Best Value and</td>
<td>• Constructing Situated</td>
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<td></td>
<td>underwrites associated behaviours</td>
<td>Readings (consequence)</td>
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<td></td>
<td>directed to making the legislation</td>
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<td></td>
<td>‘thinkable’</td>
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<th>STAGE TWO</th>
<th>Form of Alchemic Practice</th>
<th>Phases of Stage Two</th>
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<tr>
<td>Legislative Smoothing</td>
<td>Alchemic Conjuring</td>
<td>• Repairing / healing (context)</td>
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<td></td>
<td>Supports ODPs in generating a</td>
<td>• Selling / procuring allies</td>
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<td></td>
<td>shift in organizational culture to</td>
<td>(strategy)</td>
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<td></td>
<td>ensure the legislation can be</td>
<td>• Knowledge Brokering</td>
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<td>construed by staff as ‘do-able’.</td>
<td>(consequence)</td>
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<th>STAGE THREE</th>
<th>Form of Alchemic Practice</th>
<th>Phases of Stage Three</th>
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<tr>
<td>Legislative Praxis</td>
<td>Alchemic Procurement</td>
<td>• Orchestrating the Review</td>
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<td></td>
<td>Underwrites behaviours and processes</td>
<td>(context)</td>
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<td></td>
<td>associated with making Best Value</td>
<td>• Delivering Hierarchical Fit</td>
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<td></td>
<td>operational and ‘demonstrable’ by</td>
<td>(strategy)</td>
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<td></td>
<td>producing the reviews for each service</td>
<td>• Corroborating Choice</td>
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<td>unit.</td>
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<th>STAGE FOUR</th>
<th>Form of Alchemic Practice</th>
<th>Phases of Stage Four</th>
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<tr>
<td>Legislative Grooming</td>
<td>Regenerative Alchemy</td>
<td>• Consolidating Knowledge Networks (context)</td>
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<td></td>
<td>Entails collaborative advocacy by the</td>
<td>• Soothsaying (strategy)</td>
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<td>ODPs to ensure the experience of</td>
<td>• Reconstituting Place (consequence)</td>
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<td>practitioners plays a foundational</td>
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<td>role in shaping the future course of</td>
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CHAPTER FIVE: Legislative Filtering - Making Best Value ‘Thinkable’

Introduction

This chapter begins to present The Alchemic Life-Cycle, the Grounded Theory and outcome of the current research study as introduced in Chapter Four. Interpretive Alchemy, the first of four sub-categories of Practicing Alchemy, each predominating at a discrete conceptual stage of the life-cycle, is examined to clarify how organizational development practitioners (ODPs) mediate and make sense of the new project of rule legislating Best Value. The management focus during Stage One, Legislative Filtering, is rendering the legislation ‘thinkable’ given the gap between Best Value principles and current operational practice. Lack of consensus about the operational meaning of Best Value means at the local level authorities depend on high levels of interpretive alchemic practice from ODPs charged with implementation.

Primarily subjective and social psychological processes enable organizational development practitioners to construe the legislation in concrete rather than abstract ways, as Best Value is appraised and interpolated to locally delivered services. This includes interpretation of how objectives for achieving, monitoring and evaluating continuous improvement can be met while accommodating external and internal organizational contingencies. The cognitive and behavioural mediations of organizational development personnel are directed to addressing the context of uncertainty already evident as documented in the scoping data in Chapter Three.

In this chapter the three phases of Legislative Filtering are detailed with their properties and sub-properties to elaborate how initial efforts to implement Best Value are shaped primarily by the interpretive alchemic practices of the organizational development personnel as they resolve their primary concerns during the first stage of the Alchemic Life-Cycle.
Resolving Participants’ Main Concerns in Stage One

Interpretive alchemy is required firstly, to establish an appropriate procedural pathway for making the legislation operational, given the lack of clear indication concerning how the stipulated review process is related to achieving Best Value objectives. Secondly, there is uncertainty about how measurement functions to indicate successful application or evidence of Best Value principles. Thirdly, while there may be consensus about the objectives of the new legislation, there is hesitation about how operational managers and ground staff will respond to it.

These uncertainties are further compounded by lack of immediate means for ODPs to directly address issues of organizational capacity for adoption of the Best Value agenda. For example, elected councillors may have little motivation to embrace Best Value given their more immediate goals of representing constituents whose interests may not align with value objectives concerning community strengthening and sustainability. Assuming appropriate skill levels exist, ground staff may be unmotivated to adopt tasks relating to service reviews because these impact on work loads.

Finally, residual structural and socio-psychological factors from the prior programs of rule influence organizational culture. ODPs are acutely aware that successful implementation of Best Value requires mindsets to be oriented to strategic renewal and organizational learning, especially among ground staff but also for the Executive, and elected Council members. Intuitively, organizational development personnel recognize Best Value requires significant adaptation of organizational culture, particularly for staff with experience of CCT. They are aware as well of the complexities of improving community engagement in the governance process. Stage One of the Alchemic Life Cycle, Legislative Filtering, is represented as the following three phases, with the associated properties as set out in figure 5.1.
This chapter provides an overview of Legislative Filtering, by outlining the three phases of Stage One and explaining the relationships between them. A discussion of the properties and sub-properties of each phase is supported by extracts from the coded data to provide greater conceptual clarity for the categorizations. The final section of the chapter analyses the influence of key moderating variables including role flux, role amplification, management churn, organizational capacity and philosophical commitment of practitioners to show how these set parameters for the Situated Readings constructed by the ODPs as an outcome of the appropriation of interpretive alchemic practice during Stage One of Alchemic Life-Cycle.

An Overview of the Legislative Filtering Stage

During Stage One, interpretive alchemy as the predominant form of alchemic practice is instrumental in resolving substantive issues stemming from the deliberately flexible manner in which the Best Value legislation is framed. Apart from speculative responses typical of any new project of rule, uncertainty concerning Best Value is compounded by the objective of the new legislation to encourage local discretion through avoidance of an overly prescriptive approach or ‘one size fits all’ model for change.
The mainly cognitive processes of this stage depend on interpretive alchemic practice, as do the social processes via which ODPs seek support in making sense of the rhetorical provenance and the mandatory requirements of Best Value. In the first phase of Legislative Filtering, Bridging the Gap, interpretive alchemy is directed to reconciling the gap between Best Value as a statement of principles, and current operational realities. In the second phase, Soliciting, interpretive alchemy informs strategic effort by the ODPs to seek broader support in demystifying the legislation. The third and final phase of Legislative Filtering, Constructing Situated Readings, conceptualizes the outcome and consequence of interpretive alchemic practice as deployed during Stage One.

Making Best Value operational depends on resolution of the sense making activity that links these three phases, with ODPs acting as a primary conduit between various levels of the governance hierarchy, as occurs in later stages of the Alchemic Life-Cycle. Despite uncertainty in Stage One, motivation is high to find support and endorsement for sense-making activities. As the primary means of processing and internalizing Best Value objectives, interpretive alchemy functions to make the new legislation thinkable so it can become transferable to other members of the local authority. The primary objective of interpretive alchemic practice is to allay uncertainties stemming from the context of the legislation. These are resolved by Best Value organizational practitioners constructing a subjective but localized reading of the legislation vis-à-vis the local authority.

Interpretive alchemic practice enables challenges of Stage One to be confronted and resolved before ODPs proceed to embed Best Value in the daily practice of local authorities, and address challenges of the mandated review process. In the following section, properties and sub-properties of each of the three phases of Legislative Filtering are presented with examples from the data to signify how interpretive alchemy is directed to resolving challenges of Legislative Filtering. As the new legislation is progressively internalized by ODPs, the rhetorical provenance of Best Value is accommodated, enabling them to make a provisional cognitive (rather than strategic) step towards implementation of the new project of modernization.
Phase One of Legislative Filtering - Bridging the Gap

Overview
Bridging the Gap involves contextual properties associated with Legislative Filtering which as a sense making activity are problematized by the lack of clearly specified procedural detail in the legislation. The first property Over-riding Uncertainty includes mediations to construe the ethos of the new legislation directly in relationship to the specific authority. A second property, Measuring Value concerns the processes of rethinking measurement orientations to align them with Best Value objectives. The third property Re-siting Control conceptualizes the shift and subjectivization by ODPs of the locus of control implicit in the legislation. These properties and sub-properties are diagrammed and discussed as follows.
Properties and Sub-properties of ‘Bridging the Gap’

Over-riding Uncertainty and its Sub-properties
As the first property of Bridging the Gap, Over-riding Uncertainty concerns the ongoing struggle of negotiating several domains of uncertainty resulting from the flexible terms of the legislation. By simply articulating why the legislation is problematic ODPs make a subjective step to internalizing Best Value as a goal, thereby allaying some uncertainty. Procedural helplessness is experienced as ODPs realize they must proceed with implementation despite lacking clear guidelines. Issues of organizational capacity also impact on the confidence felt by the organizational development personnel. Over-riding Uncertainty is represented by the following sub-properties.

Naming the Problem, the first sub-property, presents ODPs with a more serious challenge than the ‘newness’ or objectives of the legislation, for example: when BV came in, I don’t know if there were sufficient guidelines for implementing it. Like anything new, it doesn’t matter whether it is new election rigs or new accountabilities under the Act… everybody throws up their hands and says ‘well, what on earth do we do about this’? (Int.14, Code31). The question of where to begin remains unanswered at this stage: Well, CCT was very obviously about output rather than outcomes, and the focus shifted now… but BV is far more nebulous! (Int.12, Code 25). Initially there is a sense of being ‘all at sea’.

The second sub-property, Procedural Helplessness conceptualizes the ODPs response to lacking procedural guidelines. Although some workshops were conducted by DOI (Department of Infrastructure – or the central State body at the inception of Best Value) for executives, they provided little procedural direction for operational personnel, and ODPs were not included always: there was no preparation for managers; it was just here is the legislation! There was a very high level of talk and managers met on a monthly basis and I think they were fed best value at just a few of those sessions. But it was nothing meaningful… It was all the fluffy stuff about what BV is and what best practice is about… but nothing tangible on ‘how do you complete a review of your service and make sure you comply with all the components that need to be considered’ (Ints. 1-5).
Strong concurrence concerning this lack of process was evident at the inception of Best Value, and it flowed on in some cases to ODPs who came later to the organizational development role: *My predecessor was not equipped, or felt not equipped enough to make a process; and once a process was made, she felt there wasn’t any real support for it. So I think this resulted from how the legislation, was framed and what it requires - about being transparent about what we need to do in an organization to actually achieve BV. I am saying it was definitely not clear!* (Int.15). When role flux occurs as in this case procedural helplessness is exacerbated.

The third sub-property, Capacity Anxiety, concerns the ODPs uncertainty about organizational capacity. ODPs are unsure about skill levels in authorities to adopt Best Value: *my take on it is, not only was there no clear process, but I also think it is as much about identifying the level of skills at which you have to operate to actually achieve something like Best Value* (Int.15). During the filtering stage ODPs are aware of the gap between principle and process and uncertain about the extent of organizational capacity to address this gap.

Together, the sub-properties of Over-riding Uncertainty, the first property of Bridging the Gap, provide a sharp contrast with the contextual conditions prevailing in Britain where Best Value was phased in gradually with incentives for the Councils that applied for Beacon Councils status (see Boyne, 2000; Boyne et. al, 2001). In Victoria, Best Value was introduced as a level playing field approach, with practitioners essentially lacking a standardized baseline, or examples of best practice.

**Measuring Value and its Sub-properties**

The second property of Bridging the Gap, Measuring Value, concerns the appropriation of interpretive alchemic practice to support development of new measurement orientations. As the previous legislative regime of CCT rewarded efficiency (many participants suggesting at the expense of effectiveness), a significant cognitive shift is required for staff generally, and more particularly for those who previously relied purely on cost standards and working with prescribed parameters to achieve gains in efficiency: *we were suddenly dealing with a regime that valued measurement rather than one that measured value which is what happened during CCT* (S.E. Regional Network Notes, Feb. 2006).
While the rationale behind this shift in measurement orientation is apparent for ODPs, ascertaining how the new measurement objectives can be demonstrated on the basis of operational practice is less apparent. Interpretive alchemic interventions underpin the process of reinterpreting what measuring for value constitutes, which is necessary if ODPs are to provide leadership for operational managers and ground staff. This challenge is conceptualized by the following three sub-properties.

Shifting Focus, the first sub-property of Measuring Value, remains a non-trivial task for ODPs late into the first reporting period, and at later stages of the Alchemic Life-Cycle. Given the plethora of ways for defining service quality, a sense of quandary prevails as ODPs struggle, in trial and error fashion, to determine appropriate measurement strategies: *How on earth you are going to get quality AND cost standards without having objectives and strategies and other key measures is just beyond imagination! I think a lot of confusion has been about what do these things really mean?* (Int. 15, Code 5). Ascertaining value for a very diverse range of services is a gargantuan task and highly interpretable, as it is variable according to the standpoint from which it is considered.

For example, many business units have problems concerning performance indicators and what constitutes value for particular services: *DVC did not take a prescriptive approach, or it was DOI in those days, umm because they had been so heavily criticised by people ‘don’t keep telling us what to do’.....so they took a non-prescriptive approach and set some boundaries, but allowed it to be flexible, and I think that flexibility really left people floundering because they had never really done evaluations before. Things like performance indicators were still fairly new to them. And, yes, that sort of vision about what is it I ‘should’ be measuring was absent* (Int. 7 Code 9). Alchemic interpretive practices in Stage One of the Alchemic Cycle are directed to constructing how value is to be represented and demonstrated. There is lack of consensus, and variability according to the role of moderating variables such as the community development commitments in the authorities, and prior experience of ODPs in the Best Value practitioner role, which effect staff willingness to become engaged.

As operational staff members easily revert to the more tangible market focus on efficiency ODPs attempts to re-conceptualize measurement orientations are further
frustrated. This is mostly understood as a residual of the regulatory interventions of CCT, rather than as direct obtuseness: *Best Value is not concerned with outputs, but outcomes. Outcomes were a lot more difficult to establish! Yes. Much more difficult to get that shift in understanding in an organization from what we want to deliver to what the community wants!!* (Int.7, Code11). Outputs are more tangible than outcomes, but few guidelines exist for ODPs about discerning and communicating the differences in these orientations.

A second sub-property of Measuring Value, Situating Community Engagement, represents the most complex challenge in reformulating new measurement paradigms. As an evaluative domain that must now be demonstrated along with cost standards and general accountability, high levels of interpretive alchemy are directed to establishing what community engagement entails as ODPs must convey this to other staff. This is problematized as the democratizing intent of Best Value, and objective of more participatory governance can only be realized if it is matched with local discretion, and appropriate resources.

Community consultation and demonstrating public engagement also depend on holistic understandings of environmental, demographic and socio-economic idiosyncrasies of particular constituencies. Gaining community cooperation is challenging and bounded by perceptions that several ODPs have of the public as holding local government in relatively low esteem. Public credibility, and or salience of the democratizing provenance of Best Value is deemed low by the ODPs who recognize potential for highly generalized local discretion is unlikely to be matched by appropriate resources, and this means managing community expectations will also fall into their brief as ODPs if Best Value is be managed responsibly.

Current methods of assessing community satisfaction are held by many practitioners to have quite tenuous connections with Best Value objectives of more participatory forms of political life. Awareness of the lack of connection between public interest in participatory activity and current measurement practices is acute, and evidenced by shortcomings of surveys and other frequently used standardized measurement approaches: *A lot of common ways of assessing community services area bit loose and neglect any other than the usual suspects.* (Int. 5, Code10). Similar doubts exist about
more participatory community forums such as focus groups which may misrepresent community needs; and even reinforce perceptions that Best Value is unlikely to be embraced if the public lacks genuine discretion.

Given existing evaluation modes, validity of data from user groups is easily compromised, distorting the picture of what is really valued by the community. For example, facilities and services like public parks, childcare or libraries may be highly valued in a community even by non-users, but this may be lost if measurement strategies pick up only on the squeaky wheel, rather than hearing from those who are not quite so politically active (Int.2, Code 50). Interpretive alchemic practice is directed to identifying alternative approaches, although there appear to be few means of evaluating validity even if such measures are easily implemented.

In attempting to resolve issues of evaluation practice, ODPs recognize modifications to standardized satisfaction, or community surveys may provide information on how well services are performing, while delivering little insight on continuous improvement or other quality objectives. Interpretive alchemy is directed to resolving issues of how measurement practice contributes to creating sustainable and inclusive communities; and frustrations stem from the fact that by default many authorities continue to rely on traditional methods. The absence of appropriate alternatives, or best practice benchmarks indicate for ODPs that understandings of community input remain flawed or only circumspectly related to improving governance.

The third sub-property of Measuring Value, Clarifying Strategic Directions, addresses the adequacy of conventional planning strategies for incorporating Best Value objectives. This is problematized in local authorities because of uncertainty about the relationship between measurement and planning. Lack of strategic direction causes confusion about the role of Best Value to planning processes: With BV we really had to do a lot of other stuff before [implementation] as groundwork. If you talk with a lot of people outside of my area, they might still find confusion about the whole of BV. But community development is about the whole picture, looking at the big picture. So we do have to work with the strategic. If you are able to stand back and look out over the myriad of confusion and identify the direction we think we should be going in... only then can you sort out how to go about evaluation (Int.7, Code 23).
Legislative Filtering makes apparent that planning processes are complex and multi-layered with the interface between Best Value and strategic initiatives providing a fertile domain for wide variance in interpretive alchemic practice and its outcomes. Recognition that Best Value must be incorporated at higher levels of planning than the operational is uneven. Together the sub-properties of Measuring Value indicate the nature of interpretive alchemic practice, as well as the generative role it plays as ODPs attempt to mould and meld the rhetoric of Best Value and operational realities as they struggle with Bridging the Gap, during Legislative Filtering.

Re-siting Regulatory Control and its Sub-properties
The third property of Bridging the Gap, Re-siting Regulatory Control conceptualizes ODPs mediations of the relocation of regulatory control implicit in the new legislation. Devolution of regulatory control from the State to the local level depends on interpretive alchemic practices to underwrite the significant cognitive shifts required to realize the intent of developing innovative local leadership. Regulation is devolved structurally, and contrasts with the previous CCT regimen when regulatory control resided more explicitly with the State Department, implying theoretically a flattening of the traditional bureaucratic hierarchy must occur. This entails ODPs to assume responsibilities of steering rather than just rowing the boat.

Unlike other activities related to Bridging the Gap where interpretive alchemy practice is represented as mainly cognitive mediation, resituating the locus of control as a structural imperative, entails explicit commitment starting with the ODPs. This is represented as the sub-properties of Realization of New Subjectivities, Responding and Redefining Constituents.

The first sub-property Realization of New Subjectivities depends on interpretive alchemy to ground the new regulative orientation in the local authority; with ODPs initially internalizing new regulatory subjectivities in order to situate control or ownership of Best Value at the local level. Transition to a regime of enforced self-regulation reconstructs local authorities as the primary locus of regulation of the reform agenda, meaning they can no longer just operate reactively. A new motivational discourse of consultative governance, local autonomy and flexibility must be formulated.
with ODPs assuming leadership and becoming adept in such discourse despite their uncertainties about measurement and community engagement. With a steering role ODPs now assume a major responsibility for success or failure of the legislation. Steering, while abstract in principle, depends on presence of a helmsman and the interpretive alchemic processes associated with Legislative Filtering enable ODPs to assume this role as they fine-tune new organizational subjectivities accordingly to Bridge the Gap.

A second sub-property of Re-siting regulatory control is Responding. In a new climate of self-regulation, organizational development roles are fluid showing in various ways evidence of compliance with the new project of rule associated with Best Value: *I deal with anything cross-organizational, things that are not operational as such, I might look at the service delivery units or systems and how we might make a change to them, but I do it from the perspective of the whole organization. I am not allowed to duck when the CEO doesn’t know what to do with a hot potato!* (Laughs wryly) (Int.12, Code 2). Others see themselves as transforming the ‘stick’ of centralized control, into a ‘carrot’ to ready the organization for implementing Best Value objectives. Responding conceptualizes how organizational development practitioners become complicit in the new mode of regulation.

A third sub-property Redefining Constituents as participatory citizens, a symbolic aspect of Re-siting Control, involves significant alchemic interpretation. Instead of status as clients as was the case with CCT, revisualization is required to project the constituency as engaged citizenry to the council staff. Along with this is an unwritten charter, of forging new understandings in the local authorities of the community as a participatory agent rather than as a recipient, or client, of services delivered. The language of client-provider split that predominated in the previous decade must be dismantled accordingly.

Resituating control is the consequence of mediations to Over-ride Uncertainty, and of Re-thinking Measurement orientations, in order to Bridge the Gap between Best Value principles and operational practice. By means of interpretive alchemic practice both symbolic and agentic behaviours play a role in accommodating the flexible terms and new structural imperatives of the legislation.

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Phase Two of Legislative Filtering – Soliciting

Overview

Soliciting, the second and strategic phase of Legislative Filtering includes behavioural responses via which ODPs garner affirmation and procedural support for the more subjective mediations of Bridging the Gap. Soliciting includes social-psychological and behavioural endeavors to gain moral support, as well as being directed towards gaining new ideas or information from professional colleagues. Alchemic practice in Stage One is focused on establishing casual contact with other organizational development personnel in similar circumstances, in order to allay uncertainty. Support is usually identified in neighboring authorities, but internal linkages may deliver additional sources of support.

Soliciting is mostly serendipitous, resulting from beneficial contacts within the authority, or more frequently from information exchange externally. While the council executive would seem an obvious locus for soliciting activities many ODPs find CEOs or other executive either less motivated, or worse informed than they are about implementing the legislation.

Depending on alchemic interpretive practice, Soliciting functions to identify and mobilize the best allies given the commonly reported experience of recalcitrance or disinterest: The main problem for me particularly has been reluctance of people to help me out. BV needed a change of organizational culture to be taken up. Definitely! I really needed support. Just to stress the importance of BV and to make people understand it is not a waste of time...That is the biggest thing I got – ‘it’s just a waste of time!’ (Int.10, Code 9). Interpretive alchemy provides a counterpoint to resistance by generating expedient support strategies.

Soliciting has two properties, namely Internal Linkages and External Linkages, diagramed in Figure 5.3 and documented as follows, supported with examples from the data to conceptually elucidate the properties and sub-properties.

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Properties and Sub-properties of Soliciting

Internal Linkages and its Sub-properties

Internal linkages are mentioned less frequently than external ones, during the Legislative Filtering stage, but in some instances other middle management personnel or the CEO are cited as helpful allies by the participants. In many other cases ODPs feel under resourced, and at times even undermined by lack of real interest in the legislation.

The first sub-property entails Unsolicited Executive Support and ODPs are particularly grateful, when relatively infrequently CEOs provide unqualified support for Best Value. This mainly occurs by ensuring adequate resources and making staffing available to address the task. Sometimes CEOs second staff to support Best Value coordinators: *Well J my other half, is normally the community service manager. She is hot on what is going on with BV so they took her off-line for three months to hammer through this new charter of Best Value, to work closely with me* (Int. 4, Code 23); but, ODPs more routinely feel isolated in their task of implementation in early stages of the alchemic cycle.

The second sub-property, Getting Drivers On-side, includes specific efforts to allay resistance or disinterest in implementing Best Value, by exemplifying how interpretive alchemic practices may be directed to cajoling operational managers: *if we don’t*
continue to prompt them then nothing will happen because the [operational] managers see BV as additional to their core business, so it is extra work as far as they are concerned. The idea of keeping internal drivers, the operational managers, on-side was referred to by several ODPs with alchemic interpretative practice deployed to achieve these ends in as non-coercive way as possible. This required persistent effort by the ODPs to read the situation and degree of receptivity among ground staff.

External Linkages and its Sub-properties

More often external linkages with personnel working in similar roles in neighboring authorities are established informally during Stage One of the Alchemic Life-Cycle. Such linkages contribute to ODPs consolidating a grounded reading of local authorities’ vis-à-vis Best Value, and furnishing practical information about how to proceed with implementation. A range of sub-properties conceptualizes the emergence of external linkages that support and sustain efforts of ODPs during Soliciting, the second phase of Legislative Filtering.

The first sub-property, Drowning entails inter-personal contact with neighboring authorities to respond to the isolation ODPs experience in dealing with Best Value: there was an interest group when I first started here but it died off after twelve months. I was drowning because I am a lone worker, I don’t have staff...I would have a good idea and go to my manager. He would just say do what-ever you think, but I needed input so I went to R. from the next council because he managed similar things. We decided we needed a network group for support and I eventually found other people that I could work with ...we do a lot of emailing and now meet every few months (Int.8, Code 42).

A second sub-property, Emerging Central Nodes concerns development of central points of guidance, or support nodes within the networks of external linkages. External linkages become more robust as a result of being: kept alive by a few people, although one of them is a bit burnt out at the moment, but if it wasn’t for those people I wouldn’t have been able to do my job! (Int. 15, Code 43). These links are especially important for rural ODPs who experience less immediacy with neighboring authorities because of geographical factors.
A third sub-property, Identifying Cyber-linkages reflects outcomes of accessing websites of other councils who publish key performance indicators for their reviews: *I was getting calls from my counterparts in councils way out west saying ‘can you forward me your service review’? They all said... this is confusing and we are wallowing in it. They cottoned on I had been changing things as I went right back to scratch because people here were so confused. I had said all I want is a maximum of four KPIs for each service, I didn’t want a one size fits all outfit for such a range of service areas* (Int. 16, Code 19). Access to such information provides recognition that other organizational practitioners have similar uncertainties concerning how to represent and evaluate Best Value.

External linkages evolve between operational managers across organizations as characterized by the fourth sub-property External Operational Links but this is more common in metropolitan authorities than rural ones: *I am not sure to be honest of how uneven the BV process is, but have no doubt that managers in general talk to the people around [nearest neighbours] them so they have a pretty good knowledge of what is going on in neighbouring [metro] council, than say what is happening in rural areas* (Int. 2, Code 57).

In summary, during ‘Legislative Filtering’ mediations associated with bridging the gap are informally cross-checked between counterparts, with other local authorities. As conceptualized by the properties, and sub-properties of Soliciting, this functions to assuage contextual uncertainties surrounding Best Value. Soliciting is a strategic response affirming the emergent cognitive orientations that are the outcome of Bridging the Gap. Soliciting is exemplified in how interpretive alchemic practices operate to resolve practical issues and cognitive uncertainties experienced by ODPs as they transform Best Value legislation into operational practice in their local authority.

As a consequence of the first two phases of Legislative Filtering (Bridging the Gap and Soliciting), ‘grounded’ representations of local authorities are emergent relative to Best Value. As a process this is conceptualized as the third and final phase and outcome of Stage One, Constructing Situated Readings, of the Alchemic Life-Cycle, Legislative Filtering. These readings are discussed in the next section.
Phase Three of Legislative Filtering – Constructing Situated Readings

Overview
As the mediations of the first two phases of Legislative Filtering culminate in the final phase of Stage One, Legislative Filtering, a foundation emerges indicating Best Value is now ‘thinkable’ as evidenced in cognitive representations constructed by ODPs. The construction of these ‘mental models’ is foundational for ODPs to proceed with embedding the legislation in the local authority. Interpretive alchemy is appropriated to provisionally resolve challenges to implementation during Stage One, as ODPs struggle to make sense of the new legislation. The emergent readings represent the subjective cognitive scaffolding of practitioners and a provisional grounding of Best Value in operational reality. The challenges of embedding Best Value objectives within the authority still remain to be addressed.

Phase three, Constructing Situated Readings, conceptualizes how ODPs perceptions of the readiness of their authority are formulated in order for them to proceed to embedding the new project of rule, therefore representing a point of transition towards implementation. As the outcome of Legislative Filtering, the emergent readings characterize resolution of the context of uncertainty surrounding the new legislation and the outcome of deployment of interpretive alchemic practice. Constructing Situated Readings effectively demarcates the transformation of ODPs into Best Value ‘practitioners’.

The readings reflect how mediations of different phases of Legislative Filtering converge to enable internalization of new self-regulatory roles by ODPs, and representation of a new measurement paradigm. As such, the Readings are holistic (warts and all) constructions of the local authority from the practitioner standpoint. They vary according to the ODPs confidence concerning prospects of their authorities to respond to the legislation, with emergent situated readings being loosely located along a continuum of positive proactive constructions, through neutral, to negative and re-active representations of the local authority as reflected in this comment: Yes, well you can go about BV legislation in two or three different ways, can’t you? You can absolutely embrace the thing so it is ‘all consuming’, and rules your life, or do it so it rules the
organization; or you can go somewhere in between. Or then you can take a very minimalist attitude indeed. (Int. 14, Code21).

Interpretive alchemy enables ODPs to identify structural issues, and resolves some subjective (social-psychological) challenges during Legislative Filtering through recognition of residual legacies of the prior regime of CCT that compromise implementation of, and adaptation to Best Value: BV meant a big change of focus from the Kennett period which was all about economic effectiveness. We have traces of the silos or walls that went up with CCT to deal with…people think they just have to do their job and don’t have to talk across the organization, or be included or involved in what you do (Int.7, Code 28).

The Readings constructed by ODPs conceptualize the local authority with respect to structural realities, as well as reflecting subjective perceptions of ODPs, including fears that their role will not be taken seriously because: A lot of people were frustrated by BV; and organizations just treated it as filling the hole when they saw they had to do something about it. They read the stuff and say ‘well, don’t really know what it means, but Gee! I like those principles because they are on about something in local government dear to my heart (sarcasm)... like some sort of genuine representation role! But I don’t really understand what that would be ...it has got something about standards, ... some of those accountability factors too... and a bit more about planning, so that is good! If I get someone who can do planning and reviewing then I’m right. This is using a very superficial approach (Int. 15, Code 47).

Phase Three of Legislative Filtering, Constructing Situated Readings, has three properties Positive Readings, Neutral Readings and Negative Readings diagrammed in Figure 5.4, and discussed in the next section. These properties can be construed as loosely representing a typology of perceptions/responses of/to Best Value vis-à-vis the local authority, and when ordered as a continuum indicate high to low levels of optimism about Best Value as well as differing levels of confidence about the capacity of particular authorities to take up Best Value.
Properties and Sub-properties of Constructing Situated Readings

Positive Readings and its Sub-properties

The first property, Positive Readings has three sub-properties, conceptualizing highly generative outcomes from the processes constituting the first stage of the Alchemic Life-Cycle. Reflecting varying levels of commitment to a community development perspective, and differing forms of acceptance of Best Value objectives, the sub-properties include Idealism, Opportunism and Innovation as orientation for the Situated Readings of the legislation as constructed by organizational development personnel.

The first sub-category Idealism categorizes Best Value as an opportunity and a means for getting grass roots engagement in quality assurance processes with the aim of improving local discretion and organizational autonomy. As a response embracing the rhetoric of Best Value, experience of the prior contractual period makes the shift to Best Value seem positive and as: signaling a distinctive new approach from CCT because BV
builds on dimensions other than the economic- [whereas] in comparison CCT was a fairly blunt tool ‘enforced’ to change the culture and processes to a more business focused outlook (Int.13, Codes 51, 25).

Potential for moving to other dimensions of service other than the ‘economic’, contributes to high levels of optimism. Enthusiasm is coupled with the importance of losing no momentum because of changes to the project of rule: *We kept our drivers (operational personnel) onside from the start so people could say this is my role, this is my job and these are the people to do it. These are their roles and, these are the resources we use; and this is the legislation we work under* (Int.17. Code12). Local ownership is assumed right down to grass roots, evidencing strong commitment to a community development perspective: *We got THEM [operational staff] to identify links operating both inside the organization and externally, and had BV built into a level where the staff identified those things. Once identified, we said-OK these are the people you need to consult* (Int.17. Code12). Such readings were typically characterized by ‘let’s get on with it’ or ‘can do’ attitudes.

A second sub-property, Opportunism, is equally positive but reads Best Value as an opportunity for authorities to leverage needed organizational change, typically regarding legislative imperatives of Best Value as of secondary importance: *we are doing BV because we have to do it, but if we have to do it, shouldn’t we get some value out of it? ...rather than we are doing it because we ‘want’ to do it. We would have done it in some form anyway, but now we will do it in the form the State requires* (Int. 14, code 58). In many such cases the reporting requirement was viewed as onerous; or as compromising potential for Best Value to generate real change, and contradictory to the purported flexibility of the legislation.

While the new program is treated as an opportunity, local autonomy is held to be of foremost importance. As long as local authorities can tailor Best Value to achieve other needed changes in their organization, reviewing and reporting are regarded as evil necessities to be dealt with as expeditiously as possible. Opportunities afforded by the new legislation include breaking down of silo-effects from the Kennett period, technological changes to build intranets and improve communications, standardization
of software or record keeping processes, up-skilling of operational managers and other mainly intra-organizational improvements.

A third sub-property of Positive Readings also apprehends the legislation positively, perceiving it as being sufficiently flexible so as to accommodate Innovatory Responses that enable authorities to taking a ‘unique’ path that sets them apart from mainstream responses in other authorities. Best Value is viewed as a chance to experiment and develop innovative pathways for achieving quality objectives; we pride ourselves in being a little bit different in Shire X in take up of BV. There is a big history here...pre-amalgamation issues coincided with a number of organizational issues for the management of the old shire, leading to a situation where the second tier management group essentially ran the place for about eighteen months. The CEO decided to focus on amalgamation issues and did not bother himself with operational management, leaving us with a very strong second-tier management structure in the shire to deal with BV as we felt fit (Int.12, Code3). Restructures from the Kennett period had created management structures that could be further capitalized on and consolidated because of the changes to Best Value, in this case. This council was commended subsequently for coming up with innovative ways to report back to the community by the Best Value Commission.

Other Readings reflect similarly innovative responses: We’ve been down a different path to probably most municipalities in interpreting how the BV Act was laid out. We had a pretty strong history of consultation with the community and getting them involved with how we went about doing things before BV.... our approach was we weren’t pulling intensive resources out of areas to do service reviews either! So we had our existing methodologies checked by DVC (or whoever they were then!) when we started, and they said it seemed OK, also after the first round of reports we put in. So we just ran with that. DVC were open to people being very flexible with it. I just don’t think many groups were as flexible as us in how they went about BV. (Int.9, Codes 3 & 36). Best Value legislation in this case was used to capitalize on existing strengths and strategies in the local authority putting Best Value in line with current practice rather than visa versa.
Neutral Readings and its Sub-properties

The second property of Constructing Situated Readings, Neutral Readings, conceptualizes maintenance of the status quo type responses, and has two sub-properties. In the first instance, Status Quo Maintenance, as a sub-property means local authorities are characterized as more or less impervious to central government regulation and ‘a more of the same’ reaction is seen as appropriate for dealing with Best Value, and demands stemming from the legislation. This reading is typically associated with the imperative of reassuring staff nothing much will change, for example one organization aptly picked up in the slogan ‘it is nothing new it’s what we always do’ (Int.5) to publicize the change to Best Value, despite recognizing that communication practices must change radically and high levels of professional development were needed.

A second sub-property of Neutral Readings includes interpreting Best Value as normal Commonsense Business Practice: for our council, we said, at the end of the day the principles are just about ensuring services meet the needs of your target groups...well, ensuring that the service is successful for your target group, communicating with them, all that...well, you know it is just good business! How can you deliver a service, or manage a service well, and not do all those things anyway? (Int.12, Code 26). Little distinction was made between implementing Best Value and current operational realities in such authorities with ODPs confident their authority basically already meets the brief of the new legislation.

Negative Readings and its Sub-properties

The third property of Constructing Situated Readings entails Negative Readings, and has the sub-property Minimalism, which represents the far end of the continuum of optimism about the legislation, as well as high levels of anxiety concerning the capacity of the local authorities to respond positively to Best Value. This Reading includes highly qualified responses to the regulatory role of the State, as well as high levels of scepticism about the potential for Best Value to improve local autonomy and discretion. Such authorities are more likely to opt only for minimal compliance; and, this is most evident in organizations struggling with residuals from the effects of the prior legislative regimen both in the past and currently. In one case organizational energy is
directed almost solely to mitigating the effects of the prior legislation even well after inception of Best Value.

Negative readings reflect a cynical response to centralized regulation generally, and indifference to reporting requirements is common: Well you can take a very minimalist attitude and say... well there’s the legislation and we have got to comply with it! Here is the minimum, let’s just ‘do’ that. I think we have been only a little above that minimalist process here...between the apathetic and the committed we are probably hovering somewhere below halfway towards the apathetic! (Int. 14, Code 21). Interpretive alchemic practice is appropriated in this instance to identify the course of least resistance. In some large rural shires preoccupation with reconstituting the organization including the retrieval of outsourced services or retrenched staff is a corollary of this Reading. Best Value is treated as secondary to the imperative of bringing back in-house services, with consequence of neglect and falling behind in meeting reviewing and reporting targets.

Similarly negative readings may stem from Executive Staff responding to Best Value as an Overly Central Agenda, the second sub-property of Negative Readings. This often generates negative attitudes and operational managerial indifference about Best Value adding to the ODPs challenges: I will be perfectly honest, there was a view about BV within the industry, and that view died here thank God a couple of years ago ...that we can ignore it and it will go away. And that was definitely a view held in this region. At one point the CEO said to me ‘don’t spend anymore time and effort on BV. I don’t care’! So I said, ‘for God’s sake, we are going to lose hundreds of thousands, we get over $150,000 a year if we comply!’ (Int.12, Code 40). The issue of funding, compounds negative Readings; with some participants mentioning changes to funding via the National Competition Policy as influential in how Best Value is construed at various levels of the organizational hierarchy.

In sum, the phase Constructing Situated Readings is indicative of the high levels of interpretive alchemy engaged in during Legislative Filtering as the first stage of the Alchemic Life-Cycle. As the outcome of interpretive alchemic practices Constructing Situated Readings, its properties and sub-properties, during this phase of Legislative Filtering represent the consequence of cognitive mediations of Bridging the Gap, and
the activities and exchange of information that are aspects of Soliciting. The Readings indicate wide variation in cognitive models constructed by ODPs concerning the legislation, relative to specific local authorities. In addition, Readings reflect diversity of perceptions concerning matters of compliance and organizational capacity; as well as differing levels of scepticism, or enthusiasm, towards Best Value from the practitioner standpoint.

The Situated Readings constructed by ODPs represent the outcome of Stage One, being a fusion of interpretations of organizational capacity to meet legislative requirements, subjective mediations to bridge the gap in specific domains of uncertainty about the legislation; and Soliciting behaviours to gain support for these negotiations. The Readings represent a provisional resolution of the ennui associated with Best Value necessary before ODPs proceed with the reform agenda. Legislative Filtering depends on a proactive response and generative intervention based on the ODPs reliance of the interpretive alchemic form.

The need for interpretive alchemy never entirely disappears throughout the Alchemic Life-Cycle. However, during Legislative Filtering, ennui and uncertainty ensure it is the predominant alchemic practice for resolving uncertainties associated with new legislation, a changed project of rule and a general lack of formal support or procedural guidelines experienced by organizational practitioners.

A number of moderating variables shape the situated readings. These stem firstly from individual factors, for example prior work experiences, length of time on the job, and commitment levels to community development objectives; secondly, from organizational factors such as role flux, management churn or organizational capacity; or finally from structural factors such as size or geographical contexts. In the next section these moderating variables are discussed respectively under the headings Individual Factors, Organizational Factors and Structural Factors.
Moderating Variables for Legislative Filtering

Individual Factors
Philosophical commitment shapes how ODPs respond to the challenges of Legislative Filtering and construct Situated Readings. Both long serving ODPs and newcomers may have strong allegiances to community development objectives in contrast with purely managerial ideals: *I read the legislation as principles - you know to me they are 'just' principles... levels of commitment to the community. But to actually make a commitment you need a whole lot of process sitting behind it, but also a lot of philosophical commitment 'locked in' at all stages. If you don't have either of those you are never going to get where you want to go* (Int. 15, Code 5). Such an attitude was more common among ODPs in rural or outer metropolitan areas. In contrast, in metropolitan authorities, ODPs more routinely characterized Best Value as simply good business sense and a routine part of managing business plans.

In rural areas, qualitatively different appreciations of the community are characterized in high levels of volunteerism. ODPs more often see Best Value as informed by a conception of *doing things the country way,* with the implication that rural life is more compatible with grass roots engagement. ODPs identify more generally with community development objectives in local authorities where community engagement is perceived as high, especially in rural areas. Even in some very small rural shires high levels of engagement were reported.

Organizational Factors
Organizational factors are by far the most significant moderating variables. Firstly, the frequent experience of Role Flux reflects generally high levels of inter and intra-organizational mobility within the local government sector. Role flux occurs when newcomers enter the local government sector from other organizational contexts; assume organizational development responsibilities due to intra-organizational restructures, or as the outcome of inter-organizational change across the sector. This condition compounds Legislative Filtering, and the legacies of predecessors can contribute positively or negatively to processes entailed in Legislative Filtering, and the construction of Situated Readings. If responsibility is assumed for Best Value well after
inception, inherited operational process for reviewing services can pose serious challenges. Negative consequences of role flux are more typical if the following conditions are evident.

Lack of any take-over period or appropriate briefing from predecessors: *It was really difficult coming in at first because I didn’t have any takeover period. The lady I took over from left before I came here and did not brief me; I really started not knowing anything! I had to research everything from scratch because not many people here know a lot about BV. And people who do know something don’t think very passionately about it* (Int. 10, Index). Role flux in this case was exacerbated by general apathy towards the legislation and was reflected in the situated reading of this participant.

Time constraints are further exacerbated by role flux, with newcomers having to deal with unrealistic initial scoping by predecessors: *we just had to push the reviews through at the end to meet the deadline* (Int.16, Code 36). Overly complex process could compound newcomer’s task even further: *In terms of interpretation, I feel it (BV) was overly interpreted here at first (by her predecessor) and then it had to be simplified by me because it was too complicated to do it in the time we had. Absolutely! Juggling and balancing were necessary with concomitant anxiety that Yes, but we might have simplified it a bit too much*’ (Int.16, Code 36).

Role amplification, a second condition, also impacts on how ODPs construct situated readings of their authority. Often a corollary of amalgamations, for example of smaller rural shires into large geographically disparate ones, and also in some metropolitan Councils; this problem may be a result of redundancies, creation of new roles specific to Best Value or restructures: *with our downsizing my position changed between the last person in this position and me. I got BV and BE, benchmarking, ‘bright ideas’ (she laughs) and continuous improvement to deal with; that is a whole host of functions that used to be dealt with by two or three different people!* (Int.16, Code 35). Role amplification is further compounded when it operates in conjunction with role flux: *I do BV reports, the annual reports and I am also in charge of grants but I have come into the middle of it all, so it is more than overwhelming!* (Int. 10, Index).
Size is a moderating variable in conjunction with others and in its own right. Smaller rural shires can experience role flux and role amplification as double jeopardy with council functions became geographically more dispersed and work loads increasing accordingly. Typically larger councils or shires, more notably metropolitan ones employ corporate planners or personnel whose primary responsibility is implementing Best Value. Small authorities rarely had this luxury so Best Value is added to other responsibilities. ODPs from many rural shires and councils complain of having to do more with less means we wear too many hats and don’t do things well. And BV has to become such a small part because it has to fit in between all the rest (Int. 16 Code 35).

Role flux and role amplification in combination reduce optimism and erode the potential for constructing positive Situated Readings as a basis for addressing Best Value objectives in the authority. They compound changing organizational culture in smaller rural shires, when they are relatively under-resourced for implementing Best Value: Resources for BV have been uneven from LGA to LGA. I think if BV was all I did, we would certainly live and breathe a culture of BV here! (Int.16, Code 35.

Organizational capacity and skill levels also shape the construction of Situated Readings, informing the ODPs confidence levels about succeeding with Best Value: the flexibility (of the legislation) left some people floundering because they had never really done evaluations as such before. Things like performance indicators were still fairly new for them to get their heads around… that sort of ‘vision’ about what it is I should be measuring was really absent! (Int. 7, Code 9). Confidence levels are further eroded by loss of organizational memory and depletion of skills during CCT if better skilled employees found alternative employment. In less populous authorities the pool of talent to fill jobs is more limited.

Scepticism towards centralized reform agendas combined with lingering doubts about job security is high in authorities that fared badly during CCT. Both factors modify outcomes how Situated Readings are constructed, contributing more notably to neutral and minimalist readings. Conversely, typically in larger well resourced authorities readings are more likely to be idealistic, innovatory, or opportunistic.
Structural Factors

Size in conjunction with geographical isolation operates as a structural as well as an organizational constraint. Problems include small staff pools which limit the skill base for conducting reviews, set boundaries for implementing professional development and increase chances of staff having to multi-task. Capacity is constrained by staff availability to do additional tasks such as reporting: *I would not have an issue with the legislation, but..., understanding the full implications of the guidelines (for reporting) and what this meant for us internally. Like, we are a really small rural council, here! In a lot of cases our line manager, well he IS the strategic person for a particular area, so he is out there digging the hole as well! He has got a range of issues to take into account, like the additional ‘requirements’ and workload involved in this. So, although BV is great for the organization, but it piggybacks on work staff do on the ground* (Int. 13, Code 23).

Rural isolation frequently plays a role in shaping negative or neutral Situated Readings. Face to face Soliciting is obviously more constrained when distance is a factor, with many smaller rural constituencies a half days drive from neighboring communities. Phone and internet play a role in mitigating such isolation: *When I started I was ringing up those girls from the other shires too, all the time! They made BV accessible in rural areas as well, it hasn’t been what DVC or any individual council has done- but people off their own bats who have done it in that way* (Int. 15, Code 43).

Size and geographical isolation as structural factors impact significantly on Construction of Situated Readings during Legislative Filtering. Role flux and management churn also impact as structural factors with some authorities experiencing more than one major change in less than a five year period. The following conditions influence the mediations of Legislative Filtering.

Firstly, management changes can mean new personal visions are substituted as alternative strategic foci, for example, rebuilding organizational identity: *our new CEO had done some organizational development work, and wanted to put in place what he called ‘plan X’ which was on about things he thought would unite the whole shire which was three separate shires before the amalgamations’* (Int. 8, Code 2). Other visions
centre on sustainable communities, community strengthening objectives, unique community planning approaches; as well as significant changes to management methodologies to drive organizational change including take up of entirely new toolkits for achieving Best Value.

An easily overlooked structural aspect of management churn, concerns accommodating changes in Council composition due to changes to the electoral rules in 2003. The extent of integration of Best Value with council activity is highly varied between authorities, as evidenced by different strategies for reporting on Best Value reviews to Council. If councils are characterized as resistant to BV because they have other agendas, Councillors may be reluctant about direct involvement. Degree of formal involvement varies greatly from council to council, from simply signing off reviews, to individual Councillors participating in reviews, or being directly engaged in areas of personal concern. In rare instances Councils agree to undergo review themselves exhibiting an enlightened attitude to Best Value objectives.

The Construction of Situated Readings is likely to be more positive where high level engagement of the executive, and council, is indicated. This may be expressed as intent for directly aligning Council or Community plans with Best Value objectives. Low engagement and little interest among Councillors in implementation, is evident or reflected when congruence between council plans, including budgets, community plans and the Best Value agenda is lacking.

**Conclusion**

In summary, Chapter Five has presented the properties and sub-properties of the three phases of Legislative Filtering, specifying how organizational development practitioners appropriate interpretive alchemic practice for Bridging the Gap between legislative principles and the operational domains relevant to Best Value, in order to make sense of the new legislation. Moderating variables stemming from the individual, the context of the local authority and from external structural sources are examined to show the complex array of factors that set parameters for the processes and outcomes of Legislative Filtering.
The phases of Stage One, with their associated properties and sub-properties conceptualize the role of Legislative Filtering explaining processes in the relevant cognitive and behavioural domains that function to resolve uncertainties in interpreting the new legislation for Best Value. Three phases of Legislative Filtering, Bridging the Gap, Soliciting and Constructing Situating Readings are elucidated in this chapter, demonstrating that in Stage One, interpretive alchemy stands in an ambivalent relationship to Best Value because a working consensus is lacking about what Best Value entails operationally. However, as a result of their mediations, ODPs form loose supportive mutual alliances as a result of Soliciting. Few ODPs voice outright rejection of Best Value meaning the alchemic imperative expressed as interpretive alchemic practice plays a positive role in allaying shared uncertainties and ennui due to the lack of procedural directives. Thus, the interpretive alchemic form can be understood as the principle means by which ODPs resolve the problem of Bridging the Gap between legislation and operational reality, while remaining optimistic about and committed to Best Value generally.

Understandings of local authorities vis-à-vis Best Value, expressed as Situated Readings are moderated by constraints stemming from the individual practitioners themselves, the internal organizational context; and, from structural or environmental sources. Interpretive alchemy resolves the immediate problems of initiating the new project of rule by providing a foundation from which ODPs can tackle the next challenge of embedding Best Value imperatives in the operational domain of the local authority. Although the interpretive alchemic form predominates during Legislative Filtering, it should not be thought of as exclusive to Stage One of the Alchemic Life-Cycle, as it may be re-appropriated to resolve challenges at later stages of the life-cycle.

However, in Stage One of the Alchemic Life-Cycle, interpretive alchemy suffices firstly to equip ODPs with a cognitive model of their organization vis-à-vis the new legislation. Secondly, it assists them to incorporate inclusiveness and community consultation as central pillars of these mental models by rethinking measurement to render it compatible with the value (duties) imperatives of the legislation. Thirdly, it supports internalization of a new regulatory regime at the local level, a necessary precursor for implementing the new legislation.
Having provided a detailed examination of the properties associated with the interpretive alchemic form of practice predominating during Stage One, Legislative Filtering; this chapter clarifies how via interpretive alchemy ODPs internalize a new self-enforced regulatory regime, and how interpretive alchemic practice is appropriated to resolve uncertainties presented by the flexible form of the legislation, to reconcile the weak interface between the legislation and operational practice. As a stage Legislative Filtering conceptualizes how Best Value is rendered thinkable for ODPs, so they can transition to the next step in implementation, Legislative Smoothing. Situated Readings represent the outcome of Stage One of the Alchemic Life-Cycle, and as such demarcate the beginning of the next stage of alchemic practice, and appropriation of the alchemic form, conjuring.
CHAPTER SIX: Legislative Smoothing - Making Best Value ‘Achievable’

Introduction
This chapter presents the second stage of the Alchemic Life-Cycle, Legislative Smoothing. Having constructed symbolic readings of the legislation vis-à-vis the local authority, preliminary uncertainties about interpreting the legislation are temporarily resolved during Stage One, for ODPs charged with implementation of Best Value. In Stage Two, in situ challenges to acceptance of the legislation in the local authority are confronted more directly. With the situated readings, constructed as an outcome of Legislative Filtering, representing a transition point between the two stages; the management-focus in the second stage of the Alchemic Life-Cycle shifts from interpreting the legislation to the task of developing a Best Value mindset within the organization. Effectively, at this point, the organizational development personnel engage as Best Value ‘practitioners’ as they become the interface between the legislative principles and the ground staff who operationalized these.

During Stage Two, new problems become evident, as the symbolic readings constructed as the outcome of interpretive alchemic practice during Legislative Filtering, are juxtaposed against everyday conduct within local authorities. Issues confronted during Stage Two, Legislative Smoothing, are qualitatively different from those addressed during Legislative Filtering, with the main challenge being resolution of resistance in the interpersonal domain of the local authority. Recalcitrance towards the legislative change can be expressed individually or via the medium of organizational culture. ODPs recognize that appropriate mediation in the intra-subjective domain is critical for achieving Best Value objectives, and intuitively understand the dangers of: getting a bit too ‘academic’ really when it comes down to dealing with the operational staff (Int. 14). For this reason, in Stage Two the interpretive alchemic practice predominating in Stage One, give way to the alchemic conjuring.

Both a consequence, and corollary, of the sense making mediations of Legislative Filtering, conjuring as a sub-category of the core category Practicing Alchemy, now predominates. It is employed by the ODPs to reconcile the symbolically constructed situated readings from Stage One with the contingencies of organizational culture and
everyday practice in the local authorities. Given their experience of Legislative Filtering, and efforts to resolve the context of uncertainty surrounding the legislation, there is some awareness among ODPs, that if not chicanery, at least some sleight of hand may be necessary to convince other staff in the local authority that Best Value objectives are attainable. Legislative Smoothing has three phases conceptualized as Repairing, Selling and Knowledge Brokering each directed to ensuring the legitimacy of the ODP role in implementing Best Value.

In this chapter, each of these phases is detailed, along with elaboration of the associated properties and sub-properties to clarify how during Stage Two of the Alchemic Life-Cycle, alchemic conjuring practices are utilized to embed the objectives and ethos of Best Value in the local authority. Extracts from the data are employed to increase conceptual clarity by exemplifying how issues stemming from residual organizational culture are experienced and resolved, as alchemic conjuring is directed to transforming mindsets and eroding structural constraints that interfere with the legitimacy of the ODPs efforts to attain Best Value objectives at the local level.

**Resolving Participants’ Main Concerns in Stage Two**

During Stage Two, alchemic conjuring functions to significantly neutralize staff reactivity to the new project of rule. It does this firstly, through revealing and acknowledging barriers at the individual level to acceptance of the modernization objectives; and, by allaying resistance within and between specific business units to the new legislation. Secondly, conjuring is directed to constructing and promoting shared understandings, simultaneously serving to deconstruct prevailing shared negative meanings held towards centrally determined projects of rule. In this way the ethos and intent of Best Value is embedded to the extent that new constructions of organizational culture can emerge. Thirdly, shortfalls of organizational capacity, implicit in the property Constructing Situated Readings, at the outcome of Stage One, must be identified and addressed before the review process can get underway.

To this end conjuring contributes by transferring learning and the solidarity evident in newly evolving knowledge networks which gradually become more formalized as a consequence of linkages characterized by the property, Soliciting, in Stage One. A
primary objective for conjuring in Stage Two is restoration of more open communication channels particularly between business units within the local authorities. The three phases of Stage Two of the Alchemic Life-Cycle, Legislative Smoothing, and their associated properties are set out in Figure 6.1.

Chapter Six presents an overview of Stage Two of the Alchemic Life-Cycle, with details of the properties and sub-properties in each phase discussed to underscore the relationship between each of the phases of Stage Two; and, between the first two stages of the Alchemic Life-Cycle Filtering and Smoothing. How alchemic conjuring is deployed to assist Best Value practitioners to expedite the processes associated with Legislative Smoothing is explained. In addition, several confounding variables, including individual, organizational and structural factors that influence the outcome of Stage Two, are explicated.

As moderating factors during different phases of Legislative Smoothing, these variables set the parameters of the emerging pragmatic orientations constructed by ODPs as the outcome of Stage Two. These variables can be present at any other stage of the Alchemic Life-Cycle, operating as modifying factors on Practicing Alchemy. During Stage Two, they shape the emergent pragmatic orientations which the ODPs construct,
that function as a transition point for instigating the review process to make Best Value operational during Stage Three, Legislative Praxis.

The aim of this chapter is to elucidate how the situated readings of the legislation vis-à-vis the local authority constructed by ODPs during Stage One, are re-substantiated as pragmatic orientations towards Best Value as the outcome of alchemic conjuring practice, during Stage Two of the alchemic cycle.

**An Overview of the Legislative Smoothing Stage**

In Stage Two, conjuring is the means by which ODPs acknowledge, accommodate and mitigate individual resistance, and organizational acceptance of the need to deliver service reviews that substantively demonstrate Best Value for all services provided by the local authorities. The previous preoccupation with the gap between principle and operational reality in Stage One is superceded by the more immediate challenge of dealing with organizational inertia. The subjectively constructed situated readings of Stage One reflect varying levels of aspiration concerning community development objectives which must now be objectified and aligned with organizational reality.

Alchemic conjuring entails high levels of proactive and interactive engagement for Best Value practitioners as they work towards shifting the new legislation into the operational domain. Like interpretive alchemy, conjuring practices are generative. Representing a means for resolving contingencies relating to residual organizational culture; and for reducing recalcitrance towards the substance, ethos and new self-regulatory rhetoric of Best Value among staff delivering council services; conjuring, as an alchemic practice, affords a psychological counter-point to any disquieting aspects of the situated readings constructed as the outcome of Legislative Filtering. Directed to individuals, specific business units and obdurate structural aspects of the organization, the objective of conjuring is enhancement and mobilization of potential within the local authority for organizational learning. This depends to a large extent on ODPs maintaining a positive strategic renewal orientation, and effective projection of this to ground staff and operational managers.
The consequence of alchemic conjuring is formulation of Best Value pragmatic response orientations, effectively representing a point of progression to processes concerning review construction and implementation; and, the third stage of the Alchemic Life-Cycle, Legislative Praxis. Alchemic conjuring is transformative as it provides the active operational context for initiating service reviews, as the impetus for overcoming in situ barriers to implementation. By re-substantiating the situated readings constructed in Stage One, it evidences a shift in the management focus from the uncertainties associated with the flexible form of the legislation, to a pragmatic orientation.

For these reasons, alchemic conjuring supercedes interpretive alchemy, making Best Value legislation far less of a matter for speculation and the subjective concern of ODPs, than it was in Stage One. The three phases of Legislative Smoothing, Repairing, Selling and Knowledge Brokering, with their properties and sub-properties are outlined in the following section starting with the first phase of Legislative Smoothing, Repairing.

**Phase One of Legislative Smoothing – Repairing**

**Overview**

Repairing includes efforts directed to reducing social and psychological barriers to change, expressed at the individual level and via organizational culture. In this first phase of Legislative Smoothing, alchemic conjuring is the means by which issues impacting on take up of Best Value primarily by operational staff are identified and resolved. Achieved by where-ever possible neutralizing the residuals of current organizational culture antithetical to the aims of the new legislation, the Best Value practitioners attempt to focus the authorities on the organizational learning agenda implicit in the Best Value legislation and the potential of the modernization agenda to contribute to strategic renewal of the local authority.

Negative residuals from the prior legislative regime include factors such as change weariness (documented in Chapter Three), job insecurity, and general resistance to change particularly at the operational level: *to create change readiness was the real challenge. BV was a new way of doing things, so people of course said ‘oh, no!*
Something new! Here we go again! ’So there was some resistance to BV... but once they understood there was no fear associated with it, then people slotted in pretty well’ (Int.1, Code 44). Resistance to the new legislation was reported from the inception of the study. Most participants commented on the initial fear personnel felt about the legislative changes, pointing out that this gradually gave way to relief as staff were slowly (sometimes very slowly) convinced outsourcing, while it would not necessarily disappear, would no-longer be compulsory.

Repairing conceptualizes contextual factors of Stage Two, Legislative Smoothing, particularly socio-psychological and structural residuals rooted in the previous project of rule. Repair work may be directed to individual staff; to the intra-subjective domain between staff; as well as towards structural imperatives impacting on organizational units. Success at integrating Best Value legislation depends on achieving a major shift in organizational mind-set and on the extent to which the widely reported residual ‘chimera’ of organizational culture stemming from the prior contractual-based project of rule, can be banished.

The primary objective of repair work is engaging staff from all parts of the organizational hierarchy in the Best Value process and overcoming their shared cynicism about change: The main problem has been reluctance of people to help me out. So BV really needed a change of organizational culture to be taken up. Definitely to stress the importance of it and make people understand it is not a waste of time. That is the biggest thing I get... ‘It’s just a waste of time; we don’t need to do it’ (Int. 10, Code 9). As a conduit between various levels of the governance hierarchy, motivation to generate organizational acceptance of Best Value objectives is high, but during Stage Two, residual mindsets linked with CCT often impede acceptance of the new legislation.

Repairing has two properties, firstly, Social-psychological Healing which concerns alleviating the impact of Contractualism at the level of individual experience and on the organizational psyche. One participant referred to this as a lasting ‘scarring’ of the organizational psyche, not only because of the psychological insecurities people felt about their jobs, but also because of loss of organizational memory and skills, which is clearly more of a structural issue. Hence, the second property of Repairing, Structural
Repairing, concerns efforts to redress structural circumstances that counteract adoption of Best Value.

Alchemic conjuring is at the core of the transitioning experience of local authorities to organizational culture that at least minimally accommodates the new project of rule. Informing Best Value practitioners’ efforts to achieve a major shift in mindset particularly among staff associated with the prior legislative regime, it is critical to reassure staff who consistently demonstrate the long term impacts of CCT at the individual level and report on lasting effects from this period at the institutional level.

**Figure 6.2**
Phase One of Legislative Smoothing with Properties and Sub-Properties: Repairing

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**Repairing - Properties and Sub-properties**

**Social-psychological Healing and its Sub-properties**

The first property of Repairing, Social-psychological Healing concerns the imperative to identify and address the impact of amalgamation on individual ground staff. Many functions and services outsourced during the CCT period to private suppliers via compulsory tendering processes caused downsizing of council operations and significant job loss. This contributed to a context of threat, despite the highly variable ways reported by participants in which local authorities responded to tendering requirements. Social-psychological Healing is represented by the following sub-properties, further conceptualizing the significance of alchemic conjuring in mitigating
or neutralizing residual insecurities stemming from the preceding period of Contractualism.

Social-psychological Healing is symbolically represented by the following incident in a large rural shire. A whole day retreat was initiated, to give staff opportunities to make ‘closure’ with the past, and plan for the future. Likened to a communal smoking of the peace pipe ritual, the aim of the retreat was to generate staff ownership of the newly introduced Best Value process and move the local authority forward in adopting continuous improvement imperatives. This retreat represents a whole of institution response to, and recognition of, the challenges of persistent residual organizational culture.

The following quote demonstrates the cathartic imperative of Social-psychological Healing and role of conjuring: Honestly, the first part of the day’s program was to get rid of all your ghosts, and let that sort of stuff out; but once you pricked the surface of those sorts of things you found, well… you know… the amalgamation side of things was still there!! The minute those things start to resurface in some particular way, it is like you have wound the clock back…you lose everything you have gained! (Int.4, Code 39). Social-psychological Healing has the following sub-properties.

The first sub-property of Social-psychological Healing is Healing Spoiled Identities as: people are still affected from those [CCT] days. And they thought Best Value was going to be just another form of ‘beating stick’. They were worried about their jobs. Definitely! Some people needed a severe mindset change. (Int.01, Code 41). Best Value practitioners recognize staff profiles are important, and long employment histories play a significant role in maintaining the ‘organizational story’, often in negative ways with CCT creating: massive barriers which have really taken some time to knock down. Well, I am not sure if they are knocked down fully even, because we have got a fairly old population of workers …not old as in ‘old’… but they have been here a longish while, like I think fourteen years is the average span of service! So some people remember things that happened and some just haven’t moved on. Yes… Still! That has been difficult, yes! (Int.9, Code 50). Conjuring practice is also identified with the necessity of packaging the new legislation in non-threatening ways particularly for individuals with direct experience of CCT. These strategies are discussed in the following phase, Selling.
A second sub-property of Social- psychological Healing, Celebrating, conceptualizes how conjuring is used to capitalize on the relief experienced by staff, on realization that stringencies of the tendering period have been relaxed: When BV principles were imposed, well apart from the fact that we threw a party, the transition was easier for some than others... CCT had the standard sinking of morale effect as jobs were not secure. It created an ‘us and them’ mentality... to those shiny arses in the office. BV could put an end to that sort of thing, and it reduced low morale (Int. 12, Code 15). Best Value practitioners actively celebrated by communicating the demise of CCT and reassuring operational staff relaxation of the worst aspects of CCT would ensue.

A third sub-property concerns the need to identify and address Mentoring Deficits. As personnel with the most saleable skill sets often took their services elsewhere in response to changes of the CCT period, there was a substantial loss of potential mentoring relationships meaning this gap must be filled by ODPs: The ones who were resistant to BV, well I don’t think they know enough about it to be honest, they don’t know why we have to do it, and so I have to sit them down personally and tell them why. I think it is a problem for them because they are set in their ways and they think they already know what the community needs (Int. 10, Code 4). Conjuring underpins the assumption of direct responsibility for person to person mentoring to address this social-psychological gap within local authorities.

A fourth sub-property, Neutralizing Threat conceptualizes the importance of conjuring in overcoming: a real culture of threat, where managers at the time said ‘well if you don’t do your jobs properly, and keep the price down other people will beat you and you will lose your jobs’ (Int.5, Code 20). This culture of threat was matched with direct experiences of workers: the expectation here with CCT was that every bid achieved savings of at least ten percent, and that meant basically managers must look at ‘bums on seats’; so it was people that lost their jobs through that process because that is where the savings were basically generated of course (Int.1, Code 43). Recognition of a new co-operative ethos, that was viable, dawned slowly: I think what they liked about BV was that they had come out of CCT which was competitive - where nobody shared. Everybody was a bit scared and all of a sudden they could see BV was about sharing, about best practice and moving forward again... yeah, I think people felt a bit relieved
 Conjuring is directed to diminishing fears about job loss associated with the prior culture of threat.

**Structural Repair Work and its Sub-properties**

Structural Repair Work, the second property of Repairing, concerns how practitioners utilize alchemic conjuring to address structural issues rooted in the prior legislative regime to re-establish collaboration within the organization and restore communication breakdowns. Contracting left a tenacious imprint on service delivery in local authorities, and a competitive base-line between service units as they vied to achieve output and cost effectiveness against external providers, and each other.

As a result, in many authorities, organizational units were reported as having overly autonomous orientations to service provision with a concomitant limited understanding of their organization. Lack of a holistic approach to council functions beyond services delivered in their own unit was reported by many ODPs. Conjuring is directed to reducing the impact of this ‘silo’ effect around specific functions. By identifying points of communication failure and fostering cross team communication, conjuring furthers Structural Repair Work.

Conjuring includes ODPs efforts to infuse business units, currently operating as discreet ‘silos’, with a Best Value orientation to minimize loss of learning opportunities that exposure to alternative practice might afford. Best Value must be conjured as a vision for the local authority as a whole. In some instances, this results in efforts to regain council functions lost through tendering and outsourcing: *bringing things back in-house*. More generally, it functions to reduce low morale and supports rebirth of teamwork. The following sub-properties conceptualize resolution of such challenges via Structural Repair Work, during the first phase of Legislative Smoothing.

The first sub-property Rebuilding Communication Paths concerns nurturing connectedness between units in local authorities: *Resistance wasn’t just cynicism about new things. The real issue was CCT put up barriers between service units because as soon as it came in, services were ‘prescribed’, and that is it. It has taken a long time to get back to where staff are helpful to each other again. BV encourages rebuilding of interfaces between teams* (Int. 9, Code 51). As breakdown in collaborative
communication is recurrent, conjuring assists ODPs to identify duplication of functions, use of multiple disparate record keeping systems and confusion about appropriate performance indicators for particular units all consequences of the silo effect: we still have traces of the ‘silos’, or walls that went up then [during the Kennett period] ... people think they just have to do ‘their’ job, they don’t have to talk across the organization in any way, or be included or involved (Int. 7, Code 28).

A second sub-property, Smoothing Rifts concerns resolution of complexities stemming from amalgamation of councils, particularly intra-organizational culture clashes: there were serious problems from bringing together two culturally quite different organizations - we went together and the former X and Y authorities. These cultures are pre-dominant - but, a little bit of Z was included too. That added another one. But it was mainly two cities. But even they had been managed under completely different styles before (Int. 3, Code 07). Patient intervention via alchemic conjuring is directed to resolving dissonance in reconstituted local authorities by presenting Best Value as a framework for addressing these anomalies.

In summary, Repairing, its properties and sub-properties, as phase one of Legislative Smoothing, depends on alchemic conjuring practices to resolve challenges stemming from residual organizational mindsets. Conjuring neutralizes the negative effects of these mindsets on individual members of staff; and, on the organizational psyche of local authorities. Residual subjective and structural factors of organizational culture, impervious to Best Value objectives are gradually eroded as alchemic conjuring practices support ODPs attempts to create more optimal conditions for organizational learning, and for generating communities of practice based on shared understandings to assist with implementing reviews and demonstrating continuous improvement. Conjuring in this way promulgates the democratizing ethos of Best Value, and ‘nudges’ local authorities towards a pragmatic or response orientation necessary for Legislative Praxis, the third stage of the Alchemic Life-Cycle.

Acknowledgement of cultural and structural residuals associated with the property ‘repairing’ is transformative and a necessary requisite for organizational healing if strategic renewal is to move forward. Repairing provides a context for the next two phases of Legislative Smoothing, namely Selling, and Knowledge Brokering. As the
first phase of Stage Two of the Alchemic Life-Cycle, Repairing provides insights about
the challenges to Best Value which are grounded in an organizational culture,
contaminated by a prior period of relatively draconian legislation. As the pendulum
swings to a less threatening and significantly more flexible regimen, conjuring is
deployed to achieve the ‘healing’ necessary to implement a new project of rule.

**Phase Two of Legislative Smoothing - Selling**

**Overview**
Selling, in conjunction with Repairing, further accounts for resolution of challenges to
implementing Best Value in the second stage of the Alchemic Life-Cycle. Selling
conceptualizes strategies used by ODPs to align Best Value objectives with an
organizational culture and mindset, already partially modified through processes
associated with Repairing, the contextual phase of Legislative Smoothing. Selling
conceptualizes strategic action to counteract organizational inertia from the previous
project of rule particularly by active promotion of local ownership of the Best Value
process directed to getting operational managers and other council staff on-side.

The primary problem to be resolved during the Selling phase of Legislative Smoothing
is promoting and publicizing Best Value, so the broadest possible support for changes
which must take place, especially in terms of review practices, is generated. Conjuring
functions to reassure key operational personnel that Best Value potentially provides
flexibility as well as other strategic renewal opportunities for their local authority.
Conjuring practices predominating during Selling are both generative and
transformative in orientation as they operate to enhance readiness and receptiveness to
new learning which will support engagement in the review process.

Selling includes the requirement to successfully interpolate the self-determination
rhetoric of the new legislation thereby improving the likelihood of staff developing
appropriate mindsets to adopt a new culture of self-regulation (discussed as the property
Re-siting Control, in Chapter Five). Alchemic conjuring is engaged in because
logically there must be a critical mass of operational staff willing to embrace first, the
idea that the new Legislation is ‘easily’ achievable within their service unit; second, that
it can contribute to improved service delivery; and third, that implementing Best Value
is in the best interests of the service unit and the community. Selling operates to give
ground staff, including those who deliver services only internally within the
organization, an appropriate rationale and motivation to make Best Value operational.
Selling has two properties Promoting Local Ownership, and Getting Drivers On-side.
These are introduced in the following section and discussed together with their sub-
properties.

Selling - Properties and Sub-Properties

Promoting Local Ownership and its Sub-properties
Promoting Local Ownership includes ODPs efforts to disperse ownership of Best Value
as a new organizational initiative. This may be problematic because of fundamental
distrust towards centrally directed initiatives. It is further complicated if there is a lack
of overlay between the strategic directions in the local authority and prevailing
organizational culture: Business Excellence is the culture here. It is not just a strategy;
but, people see BV as imposed from somewhere else and BV is not particularly part of
the culture, even if there is some overlap with BE... but, you know, culture eats strategy
for breakfast! You can have a million different strategies, and no-one is going to pay a
bit of notice, no-one is going to integrate them into their teams unless the culture is
theirs’ (Int. 16, Code 45).
Merging new strategic initiatives associated with Best Value with existing organizational culture calls for alchemic conjuring, to foster the idea that there is something in Best Value for everybody. Conjuring is deployed to counter staff perceptions that Best Value is just another centrally mandated strategic change and thus an expression of centralized control. Conjuring promotes Best Value making it more palatable by couching it as organizational initiative rather than a centralized directive.

The first sub-property entails Dispelling Scepticism which relies on conjuring to minimize widespread negativity towards centrally imposed directives: *Look it wasn’t easy selling BV to the organization! What had gone on before with CCT had a lot to do with that! People thought ‘Oh it is something more we have to do, it is imposed on us! What are we going to get out of it? It will just be another buzzword, and then it will be over and there will be something else! But they did NOT see BV as part of planning and to me planning is part of your everyday business.* (Int.17, Code10). Establishing and emphasizing the link between local planning and Best Value, is used to dispel scepticism towards the State, reinforcing the idea that ownership is situated in the local authority and that Best Value can play a positive role in strategic renewal.

The second sub-property of Selling, Developing Shared Meanings depends on negotiating shared understandings concerning Best Value principles. Alchemic conjuring practice is directed to establishing a common language for mediating the new program of rule. *A lot of management language where we set objectives and KPI’s creates a mentality where people set things up so they know they can just ‘tick them off’* (Int. 15, Code 31). To this end conjuring is required to promote Best Value as a genuine learning opportunity, rather than *as a tick-box exercise*, by emphasizing the desirability of flexibility of the legislation and the freedom this implies.

Conjuring is deployed to promulgate organizational learning as central to adoption of Best Value, and to prevail against the tick things off mentality which obviates the need to ‘re-think how’ services are delivered, or to consider the rationale behind that. New meanings about how measurement is conceived are central, as ODPs have already struggled with this during Filtering, to reconcile the gap between current auditing and evaluation processes and the duties dimensions of the Best Value principles, thus recognizing that the whole issue of performance management needs revisiting.
Getting Drivers On-side and its Sub-properties

The property, Getting Drivers On-side entails conjuring directed to getting operational managers on-side, and to directly or indirectly engage ground staff. Instead of simply providing units with service plans many practitioners choose to engage operational staff directly with planning to incorporate Best Value: *You can write up a service plan for anyone, but is not going to be ‘their’ plan; and it will be imposed on them; and then they do not ‘own’ it. So I tell the managers ‘you have got to take BV to your staff and see what they think about it!’ I reassure them, although there will be ‘change, it will just be reallocation of workload, and there will not be any jobs lost out of it’* (Int. 17, Code 44). ODPs must constantly ‘conjure’ to achieve ownership of the changes required while hedging against anxieties about job loss or change generally.

The first sub-property Generating Reflection is a key challenge for the ODPs who sell Best Value as a pathway to quality outcomes that simultaneously accommodate the imperative for performance measurement: *I wanted to show them that in fact the two processes, planning and reporting, are completely separate. One is about forward thinking in business planning, and one is about reflecting. To do their BV service reviews is about reflecting’* (Int. 15, Code 16). Effective conjuring means selling the idea that planning should drive budgets rather than the reverse, and convincing operational managers of the necessity for this.

A second sub-property of Getting Drivers On-side entails Amplifying Management Roles to make operational managers complicit in the self-regulatory aspects of Best Value. In this instance conjuring is directed towards convincing operational managers they have ability to find more effective ways to deliver services, which requires moving them beyond habitual frames of reference about their services: *BV is about making things they already do more transparent. Like, as if you are trying to increase and develop their [operational] management roles. If they ask - How do you do that? I tell them by re-assessing your own area, like asking ‘if we have been doing things this way for forty years – well what can we try? What can we do differently?’* (Int. 17, Code 48).

The third sub-property is Overcoming Compliance Mind-sets more suited to CCT. Conjuring is required to erode communication barriers and silo effects stemming from the client-provider split typical of the prior legislative regimen; and, to counteract the
attributes conceptualized as the property Healing. The essence of alchemic conjuring lies in finding the means to achieve these ends by using *the carrot rather than the stick*. Selling as the strategic aspect of Stage Two, Legislative Smoothing depends on conjuring to transform prevailing organizational mind-sets, so they are receptive to implementing the mandated review process.

In summary, Selling includes strategic action taken by ODPs to make Best Value accessible to, and engaging for, staff in the organization. As the second phase of Legislative Smoothing, it is strategically tailored to meet varying needs of the hierarchies engaged with service delivery within the local authorities. It is required particularly for engaging operational management, and ground staff on whom implementing the reviews will have the greatest direct impact, and directed to generating ownership and responsibility for Best Value amongst operational managers and their ground staff.

The success of conjuring to achieve useful outcomes depends on how adeptly challenges of integrating the legislation into the local authority are dealt with. Alchemic conjuring practices function to disperse ownership of Best Value within the local authority, and to strengthen commitment to continuous improvement in service delivery at the lower levels of staffing while simultaneously convincing members of the organizational hierarchy of the need for reflection and attention to planning: when the State government thought up BV, and what the British government did originally, was look at what good management is all about and actually create a model around that encouraging fairly reflective management (Sheet 1, Scoping Data; Code 61).

Accordingly selling may be articulated via a range of conjuring strategies, for example the use of cross functional teams ensures services are not duplicated; and, communications improvements occur by breaking down silo effects and the tendency toward client-provider segmentation among business units. As well as promulgating learning between service units through exposure to change and alternative ways of delivering services; selling makes operational managers and ground staff more familiar with the Best Value objectives.
Finally, during the second phase of Legislative Smoothing, Selling, alchemic conjuring is directed to generating adequate support for Best Value in ways that make staff complicit in treating Best Value as a strategic renewal approach, because ODPs themselves at this stage, still have a relatively tentative grasp of what Best Value entails for operational practice, and reliant on subjectivized understandings constructed as Situated Readings during Stage One, Legislative Filtering, the previous stage of the Alchemic Life-Cycle.

**Phase Three of Legislative Smoothing - Knowledge Brokering**

**Overview**
Knowledge Brokering is the third and final phase of Legislative Smoothing. The key attribute of this phase of Legislative Smoothing is evolution of formal knowledge sharing networks. These are often built around informal alliances and liaisons initiated by Best Value practitioners as a result of Soliciting, during Stage One, Legislative Filtering. Legislative Smoothing as a stage, depends on whether conjuring is deployed successfully not only for processes associated with Repairing and Selling, but also on how adeptly ODPs capitalize on other sources of knowledge to assist them deal with issues of residual organizational culture as well, including identification of capacity factors within their authorities which may need to be accounted for, such as skill deficits and technological shortfalls.

Knowledge Brokering relies on a qualitatively different alchemic form of conjuring to Selling and Repairing. Rather than being directed to the internal and intra-personal domain of the authority, conjuring is directed to fabricating linkages and external supports to inform and further legitimate the implementation task. Emergent Knowledge Brokering structures serve as a means for vicariously road-testing and cross-checking the mediations of Legislative Filtering to mesh them appropriately with the organizational fabric to prepare the authority for implementation. In this way the situated readings constructed at the outcome of Stage One of the Alchemic Life-Cycle are re-substantiated in ways that are recognizable as pragmatic response orientations for implementing Best Value.
In addition to being a key disposition in Repairing and Selling, conjuring in the third phase of Legislative Smoothing Knowledge Brokering, is highly generative. Still directed to resolving the contextual uncertainty that surrounds the untried Best Value legislation, conjuring achieves this by tapping into the domain of learning and knowledge within the broader local government sector. Knowledge Brokering structures become more formalized as a result of alchamic conjuring practice, in turn serving to further legitimate ODPs in progressing to review implementation. The new conjunctions between internal and external domains of local governance are strengthened as alchemic conjuring supports the emergence of a Knowledge Brokering phase, which has three associated properties Fishing, Up-skilling and Emergent Pragmatic Orientations outlined below together with their sub-properties.

Figure 6.4
Phase Three of Legislative Smoothing with Properties and Sub-properties: Knowledge Brokering

Knowledge Brokering - Properties and Sub-Properties

Fishing and its Sub-properties
The first property, of Knowledge Brokering Fishing, occurs universally across the sector as ODPs draw on the skill-base and experience of other Best Value practitioners. The skill base of the ODPs may be informed by industry experience in other sectors.
than local government, or by learning from related roles held previously within the local
government sector. The objective of Fishing is to check cognitive mediations or choices
made in interpreting Best Value during the Filtering stage, and selecting an anticipated
course of action in making Best Value operational when procedural precedents are
lacking: *It seemed to be the culture here that, because BV was made so complex to start
with everyone wanted to get through it the best way they could. And they bitterly
complained and I came up with some ideas that I thought might be a better way to go
about it. You know... the toolkits could be simplified...so I sourced ideas from other
councils... their service reviews and reports to try and get a handle on what they were
doing.* (Int.16, Code 4).

Fishing occurs at all stages of the Alchemic Life-Cycle, however, it predominates
during Stages One and Two. In Stage One of the Alchemic Life-Cycle, Fishing occurs
in relatively informal ways, and institutionalized means for supporting this practice are
generally lacking. During Stage Two, Legislative Smoothing, Fishing becomes
recognizable as a formal process although it may occur in covert as well as overt ways.
Covert Fishing is common and usually entails accessing websites set up by other
councils, as many practitioners include information on Best Value practices on official
websites to publicize their efforts to the community. In monitoring the hits on the
websites, several participants believed most hits came from other authorities: *checking
out what we are doing* rather than from the public who the websites were intended to
inform.

External support is frequently sought to access new information relating to
implementation. ODPs report of routinely relying on contact by phone, email and
person to person exchange with colleagues across the sector, particularly in adjacent
authorities if experiencing uncertainty about appropriate courses of action. Overt
Fishing relies on explicit knowledge sharing about quite specific tasks between regional
counterparts often for specific purposes: *At Shire G. we don’t have the clear structure
the (Australian) Business Excellence framework provides some Councils, but we have a
fairly strong network ‘on the ground’ if you like, when a person is concerned within
these regions they often refer to one of their equal neighboring authorities. I can give a
recent example—we are working together on a risk management project at the moment.
There was a problem and rather than just looking at it by ourselves we have brought in
relevant people in the same roles from other shires to work on that together (Int. 13, Code 36).

This shire as a small rural shire did not participate directly as a member of a regional network, however, the ODP concerned recognized the pragmatic value of open exchange of information: We use knowledge sharing in that way, and for sure it is an example then of benchmarking because we will be looking at our own processes and seeing how processes vary, and how we have to align them, for contract management and the like (Int. 13, Code 37).

The first sub-property of Fishing entails Cross-checking Actions: even last week X from Y Shire emailed me..., and the whole group (one of the regional networks). And she said ‘we have just done our community plan this week. Last year we had to put our services to be reviewed into the community plan...what are people intending to do for next year because we don’t know what we are supposed to be doing yet? No-one has come out and told us’. So there was a flurry of emails from each local area about what their councils are doing (Int.8, Code43). Support networks either provide participants with confirmation for a choice of action; or, minimally reassurance about interpretation of a directive as: it can all get a bit nebulous at times! (Int.8, Code43). Alchemic conjuring can dispel procedural uncertainty.

The second sub-property of Fishing entails Cross-referencing Empirical Referents. Conjuring functions to generate points of cross referencing on quite specific issues, for example establishing appropriate Key Performance Indicators for the review process of particular services: Well I know there are a few councils that ‘cottoned on’ to the fact that I had been changing things here, and I am getting quite a few calls from councils ‘way out west’ saying ‘can you forward me your service review on ‘blah or blah’? And I suspect what they really want, is to see the KPIs we developed because right from the start I went back to scratch with the KPIs. This was definitely an area of confusion; some groups were wallowing in KPIs but only needed a few that were realistic for their service (Int. 16, Code 19). Fishing to source appropriate KPIs to represent Best Value outcomes resolved many challenges prior to instigating the review by providing service units with models, used by similar service units from other authorities, for setting up reviews.
A third sub-property of Fishing is Locating Interest Groups. Fishing functions to further strategic renewal and organizational learning by instigating communities of practice which also reduce isolation for many practitioners: *When I first started there was an interest group for BV, a special interest group which lasted only twelve months. To be honest I was drowning...I am a lone worker, I work by myself and I don’t have any staff. And often I would have a good idea and I would go to my manager [CEO] and he would say do anything you want, just do what you like! But I would need input and go to him because he had managed other things! So then people like me, and R. from the neighboring council, would get together and complain about this lack of input. And we said we need a network support group...to survive! So R. was probably the driving force to set this up [a regional network of ODPs] (Int.8, Code 42).*

These networks although initially small and unstable, rapidly evolved once in train. *I supported R, and we set up the network. So I found other people that I could work with then. It is a massive network now covering a huge area. We meet about every three months and do a lot of emailing between then* (Int.8, Code 42). Regional networks evolve from individual acts of fishing often due to lack of intra-organizational support. Shared frustrations lead to significant knowledge sharing regional networks that function to support Legislative Smoothing, and play an important role in later stages of the alchemic cycle.

Emergence of more formal generative knowledge sharing networks is an unintended consequence of Fishing, stemming from the informal linkages evident at Stage One, of the Alchemic Life-Cycle. Their contribution to Legislative Smoothing is evident: *These groups have been one of the positive areas of growth from BV. For example, our network is fantastic and if it were not for some of those people I would not have been able to do my job. When I started I didn’t know a thing and I was ringing up those people in other shires all the time for support* (Int.15, Code 43).

**Up-skilling and its Sub-properties**

As a real need for professional development in the local authorities becomes more evident as a result of knowledge sharing and the formal and informal linkages emerging in the first two stages of the alchemic cycle, Up-skilling emerges as an important aspect of organizational culture as well as individual improvement: *one of the most wonderful*
outcomes of BV has been information sharing across local governments in the region, and even across the State. CCT created secrecy, you know... people hiding their stuff; competition; that sort of thing. But now we share and...well people aren’t afraid to ask, and people are generally prepared to give information. That has been excellent. Professional development that has come out of BV for individuals has been quite amazing. Like people before would NOT say if they didn’t know something but now they will say 'gee, I haven’t got a clue on this' (Int. 17, Code 41).

Despite the information sharing and culture of openness towards exchange of ideas, there is widely shared recognition among the ODPs concerning the sizeable gap between actual skill levels and staff capacity to take up the legislation: One of the things that I think has actually been the death of BV is actually the skills, the skill set you have got to use to get the work done, on top of their day job... Operational managers don’t know about focus groups, or facilitation or anything much about evaluation (Int. 15, Code 35). This issue is addressed in Stage Three as an aspect of Legislative Praxis.

Best Value to be a ground up process depends on multiple skill-sets at every level of the organization, meaning that Conjuring practices must be directed to accommodating uneven capacity within organizations at the individual level, within and between units: it was like expecting apples to be pears really (Int. 7, Code 22). More specifically: if we took someone on who is employed to be a social worker... well they weren’t employed as a business analyst or market research analyst! Social worker is what they are employed to do and that is where their skill is...to try and turn them into reviewers and evaluators is a real issue, and we need to think about the benefit of that. (Int. 7, Code 24). Up-skilling follows three trajectories represented as three sub-properties, Supported Up-skilling, Enforced Up-skilling or Up-skilling directed to making staff more technologically savvy.

The first sub-property Supported Up-skilling requires voluntary participation among ground staff; and, it is recognized by ODPs that while certain skill sets are lacking Best Value will be burdensome: Skill levels from within units was a major issue. Operational managers did not have evaluation skills and did not necessarily even think like that...or really only a few people did - and the majority didn’t. And...there was resistance... because evaluation was not exactly what they are employed to do. For some it was a
huge burden! (Int. 7, Code 24). In this context outcomes of conjuring may be serendipitous and take unexpected turns, for example, as a result of simply exposing staff to opportunities to share ideas or practices: Yes BV is a lot different to CCT because everything is shared. I get ground staff and managers to go and look at other people’s reports, particularly when they are starting out [with reviews] if they are scared... see what other planners have done and what they got out of it (Int.8, Code 47).

Supported Up-skilling may be the outcome of direct encouragement to individuals or service units that show initiative or innovation if they identify specific professional development needs in the course of undertaking Best Value reviews.

The second sub-property Enforced Up-skilling depends on conscious incorporation of professional development agendas by ODPs into task management roles: they [operational staff] really did not have any project management experience, and there is a huge amount of work in local government that is really project based and those skills need to be there. We supported them for training with BV as much as we possibly could. For instance, project management was an issue for the entire organization right across the board from top to bottom (Int. 7, Code 56). Appropriate training is provided and directed to specific skills shortfalls often apparent at the organization wide level.

 Conjuring may play a critical role in Up-skilling when strategies are consciously deployed to breakdown silo-effects on communication, represented in properties associated with Repairing: BV played a role in improving our local services purely because we got these managers into one room who previously never spoke to one another! And once we ensured they did this regularly over a twelve month period they developed relationships with one another, so within themselves they started picking up on new ideas; they started piggybacking on one another and a lot of innovation has come out of it. Yes, innovation through knowledge sharing happened internally in the same way as it was happening in the Networks- like Super11 (Int. 12, code 57). Super 11, represented a group of eleven larger shires who set up a group to improve knowledge sharing about benchmarking practices.

A third sub-property is Technological Up-skilling. This is necessitated because professional development is contingent on up-dating, or even implementing from scratch new technologies, required in the organization for managing the review process
or to deal with anomalies in record keeping systems which become more apparent as the result of reviews. Improved communication between service units and better coordinated electronic record keeping both between and within local authorities has a spin on effect enhancing the likelihood of successfully disseminating Best Value objectives, and sharing best practice across the sector. In some cases authorities had to start from scratch by setting up an intranet. Many were confronted with finding and adapting software that would improve record keeping or enhance take up of new review and planning processes: 

*a lot of things had to happen along the way to make the program we set up deliverables - one thing was we needed an intranet in the organization* (Int.3, Code 28). Appropriate professional development needed to be identified and implemented adding to the complexity of selling Best Value.

**Emerging Pragmatic Orientations and its Sub-properties**

As a consequence of the alchemic conjuring practice associated with Fishing and Up-skilling, and the outcome of properties and sub-properties conceptualized as the processes of Repairing and Selling, varied Emerging Pragmatic Orientations become evident. These function to re-substantiate the situated readings initially constructed by the ODPs at the outcome of Stage One, Legislative Filtering. By formulating a range of response orientations to implementing Best Value across the sector Pragmatic Orientations are tailored to accommodate the contingencies of everyday practice in the local authorities. Moderating variables explaining the variance of response across the sector contribute to how the Pragmatic Orientations are constructed by the ODPs, as discussed in the final section of the chapter.

Emerging Pragmatic Orientations are the outcome of conjuring activities in the contextual and strategic phases of Legislative Smoothing, in Stage Two of the Alchemic Life-Cycle. Representing a range of axioms along which ODPs characterize their key to approaching the practical challenges of implementation, these pragmatic orientations indicate how practitioners resolve the problem of aligning Best Value objectives with organizational mindsets in their local authority. The following eight pragmatic response orientations were identified as conceptualized by *in vivo* codes, and for analytical purposes are treated as sub-properties of the property, Emerging Pragmatic Orientations.
‘Keep it Simple’: We have got a diverse range of services so interpretation of BV and each of the sections of Business Excellence can be taken in two ways. One is to get through the process and put things down as simply as possible; or, the second way is ‘properly’... using it as a tool for improvement; so...well I think a few of us have struggled to just get through it because reviews were such a massive task. So J. has simplified it and now we are using it to that sort of advantage. I’ll admit BV has its uses, but in other ways it is just a system imposed top down, you know... ‘thou shalt do this, or else!’ (Int. 10, Code 9).

‘Build Common Language’: BV, in its defence, offers a conversation to overcome a mentality where people just set things up so they know they can just ‘tick them off’! I had long conversations with managers saying ‘let’s get some words around what we mean by Best Value objectives, let’s all understand in the same way, and then let’s defend that understanding’. You have to be dead clear everyone has the same understanding and then you have to actually ‘police’ that! (Int. 15, Code 31).

Use Leverage: At one point the CEO actually said to me ‘don’t spend anymore time and effort on BV, I don’t care!’ And I said ‘for heavens sake - we stand to lose a hundred thousand! (from National Competition Policy Grants). Let me just make it very, very clear, the other reason we did something on BV was because it WAS tied to grants! We get over $150,000 a year if we comply. Remembering that is enough to sway managers to actively want to do something! (Int.12, Code 40)

Keep Work ‘in-house’: Well not everyone thought BV was clearly prescribed, and some councils simply ‘out sourced’ it. Yes, well to me outsourcing...it’s just like...well, you know... who audits the auditor?? Even if you took a minimal approach and did it like ourselves at least staff knows what is going on if things are kept in-house. And look - what does a contractor do anyway??? They come in and ‘pick your brains’ about a job that has to be done and go off and put together their own contract! But then there is no ownership, they walk out the door next day and disappear, and we say ‘well I could have done that’ (Int. 14, Code 40).

Sell ‘what’s in it for them’: What is needed really is in fact showing staff what is in it for them - they need a way around it for themselves, and to get some value out of BV. If
you expect them to expend all that energy and effort then staff need to know what 'you’re going to get at the end of it!' And BV was the one bit they did not have – sure they had business plans that changed and fluctuated over the three years I looked over them, and when I looked at one business plan it was over sixty pages! Well honestly! ‘Sixty pages!’ - I said to them - that takes a lot of energy and ‘what is it telling you?’ It was not telling me a lot about continuous improvement! When I distilled all that information, it was a good learning curve and a starting point for going forward – I realized we had no clear ongoing commitment to whatever these words and objectives were, like ‘quality outcomes’, and I could convince them (Int. 15, Code 19).

Flush out Process: The legislation has a mish mash of principles and details (and while there is great merit in everybody doing something different) that is where it falls over! There is no structure about what you need to do and tick off to get quality and cost outcomes... it is impossible to show five or six factors in one quality and cost standard so automatically it suggests bits are missing in the conceptualization and /or then in the process. So to ‘get’ those bits, to identify them you have to build quite a lengthy process to ‘flush’ them out. That is how I approach doing BV and meeting the principles (Int. 5, Code 6).

Acquire a ‘Shire Perspective’: I think now our council takes a more reasonable shire-wide view than in the past before amalgamation when you had little places say in the whole of eastern Victoria, like Omeo looking out for Omeo, or Noojee looking out for Noojee or something similar. Now you might have the central council somewhere say like Bairnsdale or Wonthaggi making value judgments for a local issue situated anywhere in the shire. So they have got to be ‘across’ things more, now the expectation is there (Int. 14, Code 17).

Piggyback on a ‘Generic’ System: Since BV a sense of the ‘big stick’ has gone. CCT and the amalgamation, as it was, was very much a ‘big stick approach’. It made for a much more mature senior management group, so when they knew that at some point of time there would be changes of government, they said we need to put in place some sort of system that would hopefully sit outside the legislation ... that would meet requirements of legislation whatever changes they make to it, that would be an
organizational system we could use or adapt regardless. So that management philosophy has made it easy to do continuous improvement now (Int. 9, Code 39).

In sum, Knowledge Brokering, as the outcome of Stage Two, Legislative Smoothing, relies on alchemic conjuring for resolving how to deal with aspects of residual organizational culture standing in the way of Best Value by capitalizing on intra-organizational learning exchange. The experience of prior phases of Legislative Smoothing, namely Repairing and Selling - in conjunction with Knowledge Brokering contributed to the Emerging Pragmatic Orientations which serve as a counter-points to individual and organizational recalcitrance by providing a pragmatic starting point for instigating service reviews in Stage Three of the Alchemic Life-Cycle, Legislative Praxis.

The Emerging Pragmatic Orientations represent a range of response tactics and signify practical substantiation of the Situated Readings that were the outcome of interpretive alchemic practices in Stage One, Legislative Filtering. However, they do not necessarily signal the end of the interpretive alchemic form for resolving on-going challenges to implementing Best Value legislation, Alchemic conjuring, however, as the hallmark of Stage Two of the Alchemic Life-Cycle, enables practitioners to assume an action orientation to the legislation, thus resolving challenges associated with embedding Best Value into the local authority, via the processes of Legislative Smoothing, and reducing negativity and resistance to changing organizational culture to accommodate Best Value objectives.

Alchemic conjuring is deployed to generate pragmatic response orientations to Best Value, by resolving problems stemming from pre-existing organizational culture grounded in mindsets from the prior legislative project of CCT. Several moderating variables set parameters for the Emerging Pragmatic Orientations at the outcome of Stage Two of the alchemic cycle. These stem firstly from individual factors, secondly from organizational factors and thirdly from environmental or structural constraints that impact on how the Best Value practitioners resolve issues during Legislative Smoothing, the second stage of the Alchemic Life-Cycle.
Moderating Variables during Stage Two - Legislative Smoothing

Individual Factors
Factors such as length of employment and prior experience of both the ODPs and operational staff in the local authority impact on the course of Legislative Smoothing, acting as key determinants in how personnel both perceive, and engage with the new legislation. Scepticism about the aims of the legislation and cynicism concerning devolution of responsibility from the State government is widespread in the sector, particularly among people with stable employment histories.

Surprisingly high levels of mobility within the sector and the associated role flux (elaborated on as a moderating variable in Chapter Five) intensify these attitudes to Best Value objectives; given that ground staff consider themselves already knowledgeable about community needs. Alchemic conjuring, via Repairing and Selling, functions to moderate the negativity of such responses. Despite this, even Best Value practitioners who are relative newcomers to the local government sector remain in little doubt about the effects of residual organizational mindsets; and the need to allay these if support for the new legislation is to be sufficiently widespread to affect implementation.

Organizational Factors
There is unevenness in the degree of resistance to Best Value across the organizational hierarchy. Typically this occurs horizontally, such as between operational managers of various units: The managers I go to have different workloads; and some I can go to all the time and keep asking a lot of questions; and then with others I have to do a lot of it [BV] myself, the research and all… and I can’t keep going back to them either because they are not here [on site] or because they are not very cooperative (Int. 10, Code 14).

Degree of resistance also varies vertically in some organizations: Some operational managers are very helpful, and the very top people[executive] aren’t resistant because they know how important BV is, but the bottom ones[ground staff] tend to think it is a bit of a waste of time and they are reluctant to help me out (Int. 10, Code 3).

Uneven understandings of the importance (and necessity) of doing Best Value are further compounded by the flexibility of the legislation, discussed in Chapter Five. In some organizations it may contribute to Councillors and executive showing less
commitment than the ODPs: I am struggling to get KPI’s for managers and also [acceptance] that councillors should do BV too… That way the load is spread, it is not just me ‘nudging my manager’ for support! Well I haven’t got far with that, I don’t believe so! I think BV is just something people feel they have to ‘do’ but not have any commitment about…and some of the councillor’s attitudes are ‘BV be blowed’! We want X [the ODP] doing other things, why should she spend months doing a comprehensive report [for the Minister]? (Int. 16, Code 29).

In some authorities corporate planners or executives were reported as being pleased by the flexibility of the legislation reading it as licence to deal with it as we please. In contrast with this attitude at the executive level many operational managers appointed even after CCT were distressed by the lack of specification because well, they had a certain ‘way of doing things!’, everything is either black or white! ‘If it is written down it must be done that way, and if it is not, then I am totally outside my comfort zone!’ (Int. 12, Code 24). Organizational culture in this instance functions to limit the possibility of innovation, and the demands of Best Value are viewed as disruptive.

Variation in response to the legislation is grounded in the tensions between the implicit flexibility of the legislation and the implicit self-regulatory requirements. The general indication is that Best Value is still held as more of a threat by operational personnel and ground staff, than in higher echelons of the authorities including managers, councillors or executives who respond either cynically, or positively to Best Value as an impetus for modernization of the local authorities. The nature of this response is determined to some extent by how autonomous the authority concerned is held to be, and by how the flexible ethos of the legislation is interpreted.

Lack of support from central (State) authorities acts as a compounding variable in the early stages of the cycle, and is difficult to mobilize initially because others ‘don’t know’ either, for example: When I started this job, I actually contacted a few people and said ‘what is happening about it’? And they said, ‘well they (DVC) are supposed to be holding workshops, but we haven’t really seen many workshops, so we don’t know what is right’. So I sourced examples off other councils, because the toolkits we had developed before I came in, were way too cumbersome’ (Int. 16, Code 14). Difficulty in obtaining support, either from other councils, who also did not ‘know what is right’, or
the state regulatory body, is a matter of salience. Attempts to run workshops, although few, were reported as being in some ways helpful by those who managed to attend – mostly from metropolitan or fringe councils, meaning geography, along with other structural factors discussed in the next section, is a determining factor in how staff development opportunities are taken up.

**Structural Factors**

In rural areas geographical contextual factors including the size of amalgamated shires and councils have a significant impact on intra-organizational relationships and knowledge brokering practices. Amalgamation is often experienced as loss of place for smaller councils if they experience marginalization as they are absorbed into larger authorities: *I don’t think people will recover, that is the problem! Amalgamation was done too quickly and too savagely and it just took away that part out of government that should be ‘local’, particularly for the smaller outlying councils.* (Int. 11, Code 2). With centralization of facilities and service delivery centres, smaller communities become victims of economies of scale.

Geographical isolation exacerbates this marginality most in remote rural areas, making the prospects of alchemic conjuring to re-build communication pathways and a shared Best Value discourse more challenging. The likelihood of balancing local discretion with marginalized voices of small remote communities in re-constituted authorities is further eroded by the disappearance of community infrastructure in such areas. Funding priorities tend to be directed to centralized infrastructure rather than maintenance of outlying assets, making the establishment of Best Value as shared discourse of renewal in amalgamated authorities highly compromised. In metropolitan areas, similar amalgamation scenarios took place but the activities associated with the sub-property Smoothing Rifts, is perceived more as an issue of ‘realigning’ disparate organizational cultures rather than the gargantuan task of regenerating voice in marginalized locales.

Other rural-urban distinctions stem from size including issues such as the delimited pool of Labour available to select from in respect to managerial capacities and experience. When staffs are small it is also difficult to release them for professional development opportunities as it leaves more of a staffing shortfall. A related issue is that small staffs have to multi-task or wear too many hats, and do Best Value on top of their day job.
This is further compounded if the staff profile in the authority is an ageing one, or if opportunity for professional development is circumscribed by geographical isolation, funding disparities or lack of organizational capacity, including appropriate technological developments. Problems of service delivery in these areas may also be compounded by similar factors meaning double jeopardy when geographical isolation and size both operate as constraints in such authorities.

Conclusion

During Legislative Smoothing, the second stage of the Alchemic Cycle, the Situated Readings constructed as an outcome of interpretive alchemic practice during the prior stage of Legislative Filtering, are modified and re-substantiated as an action orientation. These represent the foundation for addressing further challenges and making operational decisions for implementing the review program in the third stage of the Alchemic Life-Cycle, ‘Legislative Praxis’.

The modernization agenda of the new legislative initiative means that Best Value requires the adaptation of organizational culture and a corresponding diminution of challenges to successful uptake of the legislation stemming from residual organizational mindsets. Alchemic conjuring underwrites the significant effort involved in overcoming organizational inertia before the ODPs proceed to Stage Three, Legislative Praxis. It is also at the core of generalizing the transference of regulatory control to operational managers and ground staff in the local authorities, as ODPs ‘conjure’ ownership of Best Value objectives and the corresponding responsibility of identifying avenues for continuous improvement to demonstrate this through the review process.
CHAPTER SEVEN: Legislative Praxis - Making Best Value
‘Operational’

Introduction

In this chapter Legislative Praxis, the third stage of the Alchemic Life-Cycle is presented to clarify how, during Stage Three, procurement as the predominant alchemic practice is appropriated. As the management brief shifts from developing a Best Value mindset, during Stage Two, to planning and conducting reviews for all service units in the authority the reviews come to represent the most tangible account of how services are delivered to achieve continuous improvement. As such they become the primary focus for the organizational practitioners to audit and evidence the Best Value objectives.

The key challenges in Stage Three stem from the dual purpose of reviews. First, they must audit continuous improvement in a timely way to meet requirements of the legislation and the regulatory body, the Best Value Commission. Second, as reviewing progresses, new normative parameters for the service in question are discovered, or ‘unraveled’. Ideally, these can be shown to be an outcome of community agency in determining value. Combining the goals of generalizing local discretion to improve community governance; and meeting reporting requirements constitutes a Procrustean task. This may seem an extreme analogy, however, if it is remembered Procrustes - a robber in Greek legend - made his victims fit a standard sized bed by cutting ‘bits’ off if they were too tall, or stretching them if they were too short, this metaphor of trimming and tailoring has conceptual resonance for explaining how alchemic procurement underwrites Stage Three of the alchemic cycle, Legislative Praxis.

Alchemic procurement represents the resolve, inventiveness and ingenuity exercised in conducting reviews, which must be ratified by the Best Value Commission, for a very diverse range of services. Legislative Praxis has three phases which, together with their properties and sub-properties, conceptualize how practitioners resolve issues associated with producing reviews so they effectively overlay performance management goals with the duties framework of accountability to the community, and to the external and internal governance hierarchy.
Resolving Participants’ Main Concerns in Stage Three

Embedded initially in the Emerging Pragmatic Orientations, the outcome of Stage Two, alchemic procurement serves firstly to support identification of appropriate review logistics for implementing and maintaining momentum with the review process. Secondly, alchemic procurement endorses the interfacing of review outcomes with the requirements of a complex internal and external governance hierarchy. Thirdly, procurement is directed to improving and generalizing local discretion by corroborating community choice.

The primary challenge in Stage Three is juggling review procedures to accommodate organizational capacity and the requirements of a complex governance hierarchy. Given the constraints conceptualized as Repairing and Selling during the prior stage - Legislative Smoothing - reporting must proceed in a meaningful manner for all Best Value stakeholders. The Knowledge Brokering strategies and informal sharing of learning evident in the previous stages of the alchemic cycle, consolidate significantly during Legislative Praxis.

Legislative Praxis has more pedestrian aspects, namely scoping and conducting reviews. These are easily problematized by the inherent tension of reconciling reviewing procedures with the not necessarily complementary goal of improving governance via community inclusion. Dovetailing the duty components of Best Value with the contingencies of mandated reporting, to generalize local discretion is a complex task. The stipulated completion time and other factors including resources availability, organizational capacity, in conjunction with the demographic and geographical idiosyncrasies of specific localities, impact on how this is reconciled. Stage Three, Legislative Praxis, is conceptualized as proceeding in three phases, diagrammed as follows.
This chapter presents an overview of Legislative Praxis, by outlining the phases of Stage Three of the alchemic cycle, including details of their associated properties and sub-properties. Exemplars from the coded data add conceptual clarification, elucidating the role of alchemic procurement in resolving challenges of praxis; with an examination in the final section of the chapter of moderating variables impacting on the outcomes of Legislative Praxis.

**An Overview of Stage Three, Legislative Praxis**

The major concern of Stage Three is review completion, meaning that the self-regulatory ‘subjectivities’ adopted by ODPs in Stage One as an outcome of interpretive alchemic practice, must be reproduced across the authority and extended to the community. Both generalizing local discretion - the normative intent of Best Value - and effective reporting accountable to all domains of the governance hierarchy, depend on how effectively ownership of the new legislative objectives is dispersed.

Confronted with the extensive (and extended task) of planning, conducting and maintaining the review process, in Stage Three, the issues dealt with by ODPs are more
pragmatic than in prior stages of the Cycle, when the interpretive and conjuring forms of alchemic practice prevailed as they mediated the more symbolic domains relating to Best Value to construct Situated Readings and Emerging Pragmatic Orientations to Best Value. Although the predominant form of alchemic practice in Stage Three is procurement, this does not preclude continued reliance on the interpretive or conjuring alchemic practices typical of earlier stages of the alchemic cycle.

Lack of consensus about the meaning of Best Value, evident in Stage One, is mirrored in Stage Three, by a divergence of understandings concerning which methodologies are most effective for conducting reviews, as well as uncertainty about how these evidence Best Value outcomes for service delivery. With the completion date for the first review cycle imminent, variations in the Emerging Pragmatic Orientations at the outcome of Stage Two influence management choices about review procedure. As reviewing proceeds and reviews are submitted to the state authority (Department of Victorian Communities) for ratification by the Best Value Commission, the inherent bifurcation between the normative and operational domains of Best Value become increasingly apparent, making alchemic procurement practice fundamental for reconciling review process and reporting procedure with the normative domain of community inclusion.

The three phases of Legislative Praxis, informed by alchemic procurement as the management focus is turned to the reporting task, include Orchestrating the Review which conceptualizes challenges arising from the oversight of review logistics; Delivering Hierarchical Fit - representing the challenges of interfacing review procedures and outcomes with obligations to various levels of the governance hierarchy; and Corroborating Choice. The outcome of mediations during the first two phases conceptualizes the construction of conjunctions between the review process and the public, in an effort to include the formative domain of enhancing sustainability and community engagement.
Phase One of Legislative Praxis, Orchestrating the Review

Overview

Orchestrating the Review, as the contextual phase of Legislative Praxis, includes all planning activities required to conduct and submit reviews by the mandated completion date. The following properties and sub-properties illustrate the role of alchemic procurement during Legislative Praxis. Firstly, Scoping includes decision making about review procedures. Secondly, given the antipathy to Best Value as expressed in residual organizational culture, represented as the properties Repairing and Selling in Stage Two, Maintaining Momentum, conceptualizes the deployment of alchemic procurement to overcome waning enthusiasm as the review period elapses. The third property, Tailoring represents alchemic procurement as a practice for ensuring review procedures, and outcomes, fit with organizational capabilities.

Alchemic procurement supports identification of pros and cons of review procedures, judgments about suitability of toolkits; and, when necessary operates to rationalize modification of already selected review processes to align them with organizational capacity as the maze of commitments entailed in review completion is negotiated. As with musical orchestration, alchemic procurement is directed to ‘passages’ delivered with minimal discordant notes, the avoidance of time faults and technical glitches. In a symphony, the score is immensely complicated with outcomes of harmony or discord depending on how deftly the conductor cajoles, lures, bullies or entices orchestra members to contribute to the finished piece.

Despite this, circumstances over which neither conductor nor players exercise any control may intervene (e.g. audiences coughing and spluttering during the performance). Likewise, all factors in Orchestrating the Review cannot be anticipated and while review outcomes depend on design - or careful execution, they can also be serendipitous, spontaneous - or simply a matter of default. The three properties of Orchestrating the Review, with their sub-properties, are diagramed in Figure 7.2 as follows.
Properties and Sub-properties of Phase One

Scoping and its Sub-properties

Review procedures must be compatible with the capacity of specific authorities so methodologies, quality appraisal frameworks, benchmarking and auditing strategies selected may be grounded in current practice. They may also be adopted on the basis of previous workplace experience of the ODP, or selected as a result of exposure to new performance management strategies trialed in other authorities - an outcome for example, of informal practices of Fishing in Stage One, or participation in Knowledge Brokering activities during Stage Two. Scoping has the following sub-properties.

The first sub-property, Establishing Focus, entails selection either of a macro or micro approach to reviewing, and depends on how service units are defined for review purposes. Alchemic procurement shapes decision making, contributing to the wide variation in outcomes observed in determining the level of focus for reviews. As many as one hundred services units were identified for reviewing, although this occurred only in an isolated case. Most commonly, between twenty and fifty services are identified,
and in a few instances procurement functions from the start with some ODPs recognizing that selecting fewer units will enhance review management: *What we said, is, we are going to do the reviews so it costs the least amount of effort... given that nobody was certain whether you could do BV on a group or individual basis...So, we said bugger it...they [DOI] haven’t said no... we will just put all our services into ten groups... I actually wanted eight but was overruled. Never mind! Better than thirty-eight or a hundred and ten services, that we started off with! (Int. 12, Code 30). Such praxis illustrates how choices in Stage Three are embedded in the Emerging Pragmatic Orientations of Stage Two, in this case ‘Keep it Simple’.

Alternatively, selecting a micro approach may be rationalized as a strategy to enhance management learning, reflecting strong community development orientations more typical of the positive Situated Reading, Idealism, in Stage One: *in the first year there was something like seventy two or three services to be reviewed; but this is of course part of management learning about where you aggregate up and where you hold off... like asking them what ‘actually’ the service is? (Int. 15, Code 21). Procurement in this instance is directed to generating ownership of Best Value as a key to organizational learning and strategic renewal.

A second sub-property, Defining KPIs, concerns selecting key performance indicators. The shift to Stage Three, Praxis, re-problematizes the mediations of the property Measuring Value, in Stage One, as service units are operationally defined for review purposes: *when I sat in on [management] meetings teaching them to use the toolkits, they were asking me to develop KPIs that just aren’t relevant...like ten to fifteen KPIs is just too much! If you have three to four really good ones that the ground staff really understand and are relevant to the community - that is better (Int. 16, Code 7). Pressures to adopt a surfeit of performance indicators stems from inclusion of management, ground staff or other personnel from the service unit, whose understandings of Best Value may be limited and create confusion leading to review proliferation.

For this reason the third sub-property, Devolving concerns decision making about the extent of inclusion of operational staff. Emerging Pragmatic Responses, as the outcome of the previous stage of the alchemic cycle, influence decisions about dispersing
ownership of the review process during Praxis. Idealistic or Opportunistic Situated Reading entail implicit aspirations for improving governance so are typically coupled with decisions to devolve reviews to lower levels to disperse ownership of Best Value to ground staff, also expressed in the Pragmatic Orientation ‘Flushing Out Process’ in Stage Two. In practice this can prove to be cumbersome or time consuming.

Alchemic procurement practices informing decision making during Scoping represent the contextual aspect of Orchestrating the Review, and evidence the problematic nature of decision making to achieve praxis by means of review implementation. This complexity is further conceptualized with the properties, Maintaining Momentum and Tailoring.

Maintaining Momentum and its Sub-properties
Maintaining Momentum, a constant challenge during Stage Three, represents appropriation of alchemic procurement to ensure progress with reviews despite the overwhelming complexity of the task: *In terms of selling the message, you have to do it in bite size chunks. I mean if I went to everyone and said first we are going to do this, and then this, and so on...like people would go...oh, too hard, we don’t want to know! So we just do the bits, incrementally (Int.7, Code 43).*

Devolving the review to the operational level, while it disperses ownership of Best Value objectives, simultaneously erodes Maintaining Momentum because of the workload this creates for operational staff: *there was some energy and enthusiasm to start with, but the reality is BV is added on to work your operational people already do, at 90-95 per cent capacity! They make a big effort at first with reviews, but as you get down the track and meet quarterly, bi-weekly, monthly or what ever, the whole reporting point gets more nebulous, frankly - you lose the plot and at the end of it you don’t have a good outcome (Int. 5, Code 23).* Divergent rationales and strategies are used to redress issues of waning enthusiasm and diminishing motivation as represented by the following sub-properties.

Framing Timelines, the first sub-property entails prioritizing review order. Volume of business, capacity and experience, and size of service units are key determinants of review schedules: *planners rather than the designers came in very early because of*
work volumes. They do about three thousand permits per year, around the second highest in the State. With so many planners, they needed to see how they could do things better (Int.8, Code 16). Alchemic practices segue during various stages of the alchemic cycle, for example via the conjuring practices of Repairing in Stage Two, choices made during Legislative Praxis are shaped: our infrastructure group was outsourced during CCT and now they are back in-house; we put them last in the review cycle because they had been through some pretty horrendous things. They just settled back in, and needed time to re-group really (Int.8, Code 17). In such cases the lasting impact of changes during the CCT period must be factored in to procuring timely review procedures.

As well as this, variable evaluation capabilities within authorities also determine review order. Units with strong capabilities may come late in the review cycle: Family Day Care, and Age and Disability have quality audits regularly so they have pretty good processes and systems that already comply with external quality audit standards...so we put them last (Int.8, Code16). Alternatively, experienced units can model for or mentor less experienced units, and so are placed early in the review cycle. If units already appear to comply with legislative imperatives they receive less scrutiny, meaning community engagement may take a back seat to performance management imperatives.

Sometimes review priorities are set to co-ordinate with existing contractual arrangements, for example - With street sweeping, we had a five year contract still in place, so why run around finding what to change two and a half years into that? BV reviews are less important then anyway, because you go through BV when the contract is up for renewal. It is a waste if you are only part way into a contract...revoking contracts has huge financial costs... in some areas BV is a little bit academic! (Int. 14, Code 27). Time and resources are also procurement factors.

With Shoring-up, the second sub-property, procurement operates to accommodate shortfalls in skills and capacities so as to avoid disrupting review momentum. This means major tasks like compiling reviews can fall back to ODPs. As a result of our process we finished up with a kit. But I do the report for them... they don’t have skills to do that sort of thing. My statistics background means I can analyse data and create things with it, cross match things...and interpret feedback, if people say something about an issue. I can do this and come up with continuous improvement plans (Int. 8,
Code 27). Alternative modes of Shoring-up include workshops, use of cross-functional evaluation teams, professional development training programs, and team meetings for operational management; and, in some instances outsourcing may be resorted to. In some cases, momentum is maintained by adoption of new technologies to rationalize internal record keeping systems; or standardized templates for reviews are adopted to streamline procedures.

Shoring-up during Praxis, assists resolution of some issues represented as Up-skilling, a sub-property of Stage Two. Alchemic procurement endorses and supports the tenuous nature of Maintaining Momentum, by providing recognition that organizational learning is needed, and that this may occur through trial and error: *a lot of mistakes were made along the way, and with those mistakes some groups went off and got consultants and spent bucket loads of money to do it. And really at the end of the day…well, they got their tick for Best Value, but didn’t really own outcomes along the way. Others tackled it alone and in hindsight probably tackled it wrongly, making wrong assumptions and going down blind alleys* (Int. 4, Code 11). Anecdotal evidence had one very small rural council outsourcing the whole of Best Value, but several authorities outsourced parts of Best Value to Shore-up organizational capacity.

Engendering Enthusiasm, the third and final sub-property of Maintaining Momentum, depends on alchemic procurement for overcoming motivational obstacles in the interpersonal domain to Orchestrating the Review. While templates function to keep review processes moving, their success is dependent on persistent interaction between ODPs and the operational personnel to maintain engagement: *Oh I hassle them pretty much, I say I need to meet with you, and set out a little template of questions and things I need to know. I send it to them first, and then meet to discuss these. Once I write that up, I send a draft and any other questions coming up if I need to do more research. I just keep going back and forth till it’s done* (Int. 10, Code 6). This type of iterative activity is a common feature in the ODPs struggle to maintain motivation.

Sometimes factoring in new tools such as the Australian Business Excellence Framework works as a means for regaining enthusiasm with the Best Value process because: *it is an organization specific program, so it probably helps overcome problems like waning enthusiasm and time. Using it actually reduces the time needed, as you are*
You have one process doing the lot, and it will be interesting to see if we take it on fully at the end of this year, because I don’t hear the State government will be switching off on BV. (Int.5, Code 25). Many ODPs draw on this approach or express interest in adopting it as a means for auditing Best Value.

In sum, alchemic procurement resolves issues of maintaining enthusiasm and review momentum, so the review process aligns with organizational capabilities to meet stipulated timelines. In a similar way it provides a scaffold for processes of the property, Tailoring.

**Tailoring and its Sub-properties**

Tailoring is an alchemic procurement practice resorted to if initial scoping is too ambitious or overly simplistic. It may also be utilized if the review methodology selected proves unsuited to attaining Best Value objectives, or poorly tailored to the capacity of the business unit delivering the service. As a widely practiced form of alchemic procurement to keep review processes timely, Tailoring is contingent on the complexity of the task of reviewing a very divergent array of services. Tailoring and the following sub-properties explain how review completion is made manageable by ensuring initial decisions remain highly malleable in the course of the review period.

Toolkit Taming, the first sub-property, includes modification and sometimes abandonment of selected or ‘inherited’ toolkits particularly if operational experience provides a rationale to make changes: toolkits developed by my predecessors were really complex, and meant heaps and heaps of extra work. When I used it I hated BV, it was a real headache to use in my section (Int. 16, Code 1). On assuming the ODP role: we actually dropped the toolkit and I developed a really simple template people could just fill in; my manager actually started it and I wasn’t overly thrilled as I thought it need a bit more detail; but it did mean we got all reviews done just basically using the [B.V] Act and Minister’s Code and setting up a bit of a framework (Int. 16, Code 9). Personnel changes provide contextual grounds for deploying alchemic procurement to resolve problems with toolkits, sometimes as a matter of trial and error.

Inappropriate toolkits are a source of continual frustration during Legislative Praxis: the most difficult and challenging part of BV was continuing to use what was there. We
knew it didn’t have the right focus! What had been developed was hugely Labour intensive without necessarily giving meaningful results. If you focus on outputs the only information you get is outputs. The outcomes will be you need more resources, or drop this or do that. If we focused on outcomes from the start we could see if we are falling short of where we need to be, and say I have to go back and I need to re-prioritize (Int. 7, Code 54). This example also illustrates how different forms of alchemic practice segue between stages of the alchemic cycle, with the need for procurement practice being embedded in the interpretive alchemic practices of Stage One, with respect to the property Rethinking Measurement.

The second sub-property, Recycling, manifests in highly generative ways suggesting at first glance a high degree of engagement with Best Value objectives. However, according to the Emerging Pragmatic Orientations constructed by the ODPs in Stage Two, it may equally well indicate a low level of engagement in Best Value as when old practices are retained without reflection on their link to Best Value objectives. Procurement practices are, in this way both adaptive and expedient: Management decided we do a lot of BV already, and we feed it back into our continuous improvement processes! We had a program for a couple of years before BV, so the corporate and township planning groups decided the basic tenets of BV were applicable. Rather than starting from scratch, we would do service reviews not by tearing what we had already, completely apart and re-building it. Checking the core functionality of what we had, we made sure the quality and cost standards set were still as valid and applicable as before...so it is tweaking the existing stuff rather than reinventing the wheel, yes... very much! (Int. 9, Code 25).

Alchemic procurement operates to modify newly adopted performance management tools to apply them to pre-existing procedures, setting re-worked parameters for performance management: we developed all these templates and looked at all the Best Value Principles...we also looked at what we were doing using Business Excellence. Now it wasn’t used at all then, but it just helped give us a framework. It has similar principles to BV in essence, but we found BE gave us better structure for process mapping, and reviewing systems... just an easier way to follow really (Int. 16, Code 13). The Australian Business Excellence Framework is married in similar ways to existing programs in many authorities: up until the end of this year we are running this sort of
tandem of BV and Business Excellence (Int. 17, Code 27). Knowledge Brokering activities during Stage Two of the Alchemic Cycle play a fundamental role in the transmission of the value, relevance and accessibility, of the Australian Business Excellence Framework for implementation of Best Value objectives.

Adaptation of existing frameworks or integration of as yet unused ones such as Business Excellence, is more favourably viewed by the ODPs, than use of standardized documentation belatedly made available on the DVC website to guide reviewing: the standard documentation you get off the web-site now with examples and things... well, one of the issues with it is the examples tend to be the form that most people take, just adding in a few bits and pieces to make it look like it is... original, like it was their original version...so it really defeats the purpose of reviews! (Int. 11, Code 18). As Praxis, recycling can either become a ‘tick box exercise’ like this, or an attempt to innovate, depending on how alchemic procurement is deployed.

Bundling, the third sub-property of Tailoring concerns aggregation of services either before or when review procedures are underway: we had too many services to review... some pretty big tasks. At the same time as setting up a process we had to set up the review program. We looked at things...like not over consulting...so we grouped services together where target groups overlapped; and by bundling these services could do several reviews in one hit (Int. 17, Code 4). Even if review numbers to start with are modest, the possibility remains for further reduction as the review period elapses, by grouping business units that service similar target groups.

Trimming, the fourth sub-property, represents a rationale for review attrition because initial review parameters or priorities were unrealistic, misguided or overly ambitious: In the first year way too many services were identified. The second year it dropped back to about sixty; now we are at about forty-four – the right level I think. This change reflects how people come to recognize ‘what’ their service is. I see BV as a micro-process; as opposed to aggregating right at the start and ending up with about twelve reviews, as some have done... but I could not see another way around it other than building from the bottom level up (Int. 15, Code 22). In some authorities reviews are jettisoned: because things that were a priority are not a priority any more (Int. 14, Code 29). These examples illustrate how alchemic procurement essentially endorses Best
Value objectives of inclusiveness, as ODPs juggle to both include participation of ground staff, while remaining expedient about keeping reviews manageable and timely.

In sum, Tailoring is rationalized as a matter of experiential learning: *it is about where you aggregate up and where you hold; learning what the service is...what the service ‘really’ is!* (Int.15, Code 23). In conjunction with Scoping and Maintaining Momentum appropriate tools and means for reviewing are selected. The logistics of Orchestrating the Review represent a struggle to balance goals for continuous improvement with inclusive ways of attaining this. Alchemic procurement practices, at their most pragmatic when directed to re-cycling previously used forms of performance management, contribute to establishing an overlay of a ‘duties’ intent, with performance management. This occurs by improving the accessibility of, and enhancing participation in, the review procedures selected.

**Phase Two of Legislative Praxis, Delivering Hierarchical Fit**

**Overview**

In the second phase of Legislative Praxis, alchemic procurement is directed to linking reporting requirements with requirements of different levels of the governance hierarchy. This depends on complex and layered mediations of communication strategies, used on a need to know basis, to increase commitment to Best Value imperatives. Procurement is directed to making the self-regulative orientations implicit in Best Value more widespread.

Firstly, it is critical for the review process to be engaging, transparent and credible for operational staff and executive members of local authorities. Secondly, processes must be accessible to Councils, who ‘receive’ and endorse reviews as elected representatives of the community. Finally, review outcomes must be ratified by the Best Value Commission, the regulatory body of the State legislators, who arbitrate what constitutes success or failure in achieving Best Value. Alchemic procurement informs ODPs efforts to connect the review process with requirements at all these levels of the governance hierarchy. The aim is to ensure Best Value operates both as cause for, and correlate of, continuous improvement.
Procurement underwrites the communication practice critical for auditing and making Best Value demonstrable. Rather than throwing the baby out with the bathwater, procurement is a form of alchemic practices that enables existing systems to be scrutinized, built on, or modified, but rarely changed in entirety: *the lady in charge during CCT, and a gentleman before that, actually developed policies that even when CCT was gone were good procurement policies that we continued on with* (Int.17, Index).

Aligning existing procurement policies with Best Value objectives requires authorities to move beyond just reporting what is happening, to demonstrating quality outcomes: *in those initial stages we wanted a model or process to give us results we needed for reporting something ‘meaningful’ in BV terms! A number of areas just continued to look at reporting processes, behaviour that goes back to when we had CCT; well it was foisted upon people and they were very - oh well, we just have to do it!* (Int.17, Index).

Delivering Hierarchical Fit requires procurement to engage staff and other members of the governance hierarchy in meaningful Best Value processes. So reporting does not just occur for the sake of reporting output, but to re-substantiate quality dimensions critical for Best Value. The following properties represent the second phase of Legislative Praxis, and are diagrammed in Figure 7.3.

The first property, Internal Fit, conceptualizes strategies directed at realigning existing reporting strategies with new evaluation approaches within the internal hierarchy of the authority. The second property, Connecting with Councillors, represents communication of Best Value initiatives to elected members of Council, as well as highly variable responses to the issue of Council engagement in Best Value. The third property, Convincing Commissioners, includes efforts to ensure review outcomes are recognizable as evidence of the duties overlay expected in reporting Best Value procedures to the State regulatory body represented by the Best Value Commission.
Properties and Sub-properties of Phase Two

Internal Fit and its Sub-properties
Alchemic procurement functions to reconcile communication and reporting processes for the review, with the need to augment and broaden self-regulatory control across the organization. The following sub-properties of Internal Fit represent how alchemic procurement is appropriated to achieve this, in the second phase of Legislative Praxis.

The first sub-property, Briefing, concerns communication practice directed to generating engagement within or across the layered internal organizational hierarchy, although, as illustrated in this case, some levels are less receptive to ODPs efforts than others: firstly, Council and senior management are briefed on what is happening with reviews, then also at points along the way if there is an issue. Corporate management are also briefed on a regular basis about the status of the reviews. The Council too, our current council do understand BV very well... Ah, I think they actually think it is a pain in the butt, some of it...but they ask very interesting questions! As every review is finished, we give the executive a briefing before the final report goes up to Council for
adoption. But, the thing is, if you get them adopting your service plan when it comes to
the budget, well… it does not always go through but at least they should be able to
make informed decisions (Int. 17, Code 52).

Communication practices are typically commensurate with ‘need to know’ parameters
at different levels of the hierarchy, in most of the authorities studied here, but demand
continuous attention from ODPs throughout the Best Value process. Alchemic
procurement ensures communication practice is addressed expediently to the various
levels of the internal hierarchy. For example, service units learn that it is financially
savvy to engender awareness in Council. They do this by briefing them about particular
needs of their units, through review reporting, before budget allocations are made.

The second sub-property, Reproducing Regulation, represents a significant challenge
for ODPs with alchemic procurement used to endorse the self-enforced regulatory
orientations implicit in the new legislation, in an effort to extend this to other staff in the
local authority. This is achieved partially via developing new language as reviewing
progresses, with the aim of generating common understandings. New shared
understandings indicate to ODPs that the locus of self-regulation is shifting to
operational staff: At first people thought - oh something else to do, imposed upon us.
What do we get out of it… just another buzzword and then it will be over, and on to
something else! They didn’t see BV as part of planning, or everyday business. As we
started to get through the reviews, the language slowly started to change. People began
using some BV terminology, and for the first time setting up some terms of reference for
establishing what particular objectives would be. They were profiling their existing
service at that point in time. Many of them, if they hadn’t already gone through
tendering, had never even specified what their service was! (Int.17, Code 44).

The use of Best Value parlance reflects a gradual absorption of self-regulatory
orientations required within service units, and as active practice is grounded in the
conjuring practices of Stage Two, as represented in the property Promoting Local
Ownership, and sub-property Developing Shared meanings.
Connecting with Councillors and its Sub-properties

With the second property, Connecting with Councillors, alchemic procurement functions to ensure review outcomes are accessible to local Councillors, as well as underwriting various degrees of engagement in the Best Value processes. Councillors are often perceived by the ODPs as one step removed from the legislation, but as one step closer to the electorate than the corporate part of Council. If low levels of interest are exhibited towards Best Value, direct Council participation in Best Value process is unlikely. Some ODPs think Councils should undergo reviews, but this occurs only in rare instances. Apart from ratification of reviews, inclusion of Councillors in Best Value processes is negotiated, and highly variable in practice. In a few Councils, participation is regarded as a given. These differences are reflected in the following sub-properties.

The first sub-property of Connecting with Councillors, Rubber-stamping, represents minimal participation in terms of direct engagement with evaluation and auditing activities by Councillors. Engagement mostly stops with ratification of review outcomes: to work out our interface with the council was not a problem as we identified BV as simply being good management practice. That took them [Council] out of the picture because they are really the policy makers, the interface with the community. They are not managers and the Act [Local Government Act] specifically precludes them from being that! So we just report to them and they adopt recommendations, and then BV informs policy in that area (Int. 12, Code 34). In this situation Council is perceived as rubber-stamping more pedestrian review procedures, by acknowledging reporting outcomes and addressing issues arising with relevant strategic responses via the planning process, most notably in the Council Plan. In some cases, management of Best Value is treated by Councillors as distinct from policy making and strategic planning. Sometimes this occurs to an extent that is frustrating for ODPs - with the review processes being treated as strictly part of the service management agenda.

A second sub-property Council Community Nexus sees alchemic procurement directed to a more inclusive engagement of Councillors with the Best Value process based on the premise that they represent a direct communication link with the community. By including Councillors directly in the reporting cycle, the interface between corporate and elected sectors of the authority improves: When we finish a report we take it to Council to present it to them so that they [Councillors] all read it and give feedback.
This way they get really involved and get to know if it is relevant. I build their feedback into the final report. So I think BV brings the council and the corporate side together more (Int. 10, Code 29). A stronger interface is then built between elected members of the Council and the corporate sector.

Although reviews routinely go to Councils, members of ground staff in some authorities participate in Council forums. Presenting recommendations provides opportunities for direct feedback and questions from Councillors; and minor changes can be incorporated into reviews or priorities reset to enhance communicative ‘fit’ across the internal hierarchy: three unit leaders presented recently, and were shaking in their boots! They didn’t know the Councillors and were introduced, but because of this interaction, BV has helped build up a good interface between Council and corporate workers; yes, and between Councillors and executives too! It is exciting to get ground staff talking for their ‘thirty minutes of fame’, as they say! They tell Council about their unit and what they are doing…mind you, the Council really wouldn’t care as long as the jobs get done and they hear no complaints from the community! (Int. 8, Code 33).

Feedback mechanisms that build connections across the internal hierarchy are evident in many authorities even when direct engagement between ground staff and Councillors is tenuous: Council has a week to come back and say what they are hearing on the ground about our services, if we got it wrong with reviews and to identify things needing addressing. The Councilor can come along and participate in the next review cycle when service groups evaluate their service against Business Excellence principles, and set priorities for things most needing fixing. So the voter indirectly has a member on BV panels identifying the top three things a service unit should work at (Int.4, Code 28). Awareness of the representational role of Council is widespread, and Connecting with Councillors is valued as an important resource for implementing Best Value, particularly in some smaller rural communities.

Commitment to connecting ground staff with elected Council typically extends from the Idealistic or Opportunistic Situated Readings evident in Stage One, and with strong commitments among ODPs with community development perspectives to furthering hierarchical fit across the authority with communication of Best Value objectives across the different levels of the hierarchy. Even when Council members are perceived as
indifferent to the Best Value legislation, better ownership of the review process remains dependent on building pride about achievements, through connective linkages between the Council and service units.

The third sub-category, Interest Based Participation is procured by direct engagement of Councillors in the community consultation process mostly on a voluntary basis: some Councillors are definitely involved in the community engagement workshops with ward Councillors in the particular areas where we held forums coming along. There might be two or three Councillors at those sessions and their role is not to talk or spruik, but just to listen! So council becomes directly engaged, yes...as part of the process rather than just party to the end result. (Int.7, Code 36). Participation is also sometimes solicited, with Councillors seconded into review processes because they express interest in a particular area, or have specific expertise relating to a service. For example in one shire, Councillors are incorporated into Best Value when regional interests are at stake: they came to the workshop for tourism because the Council was very interested and I had the Tourism Board there. I also included nine Councillors when we were doing the business plan side of the review, because it needed to reflect what the Council wanted, and what the workers wanted too; but we don’t follow that for all reviews (Int. 8, Code 21).

Wide variation is evident in how alchemic procurement is directed to Connecting with Councillors, adding complexity to Legislative Praxis. Participation from others than ground staff is malleable, particularly as Councils are re-elected, or when executive roles alter: initially processes were set up so Councillors came in at the end- just being presented with results. In the revised process they are involved at the very beginning establishing strategic directions for evaluation. In other words, now we get directly into the corporate leadership group; and whichever councilor wants to be involved, can sit in, or go through things they want addressed in the evaluation with the operational manager. Weak areas are addressed, and what is going on here is aired... from the Council’s point of view too. It can be one or more Councillors. They don’t have portfolios as such but quite often one of them will put their hand up and say well look that is a real area of interest for me, I want to be involved in that (Int. 7, Code 34). Alchemic procurement can successfully reorient council engagement from a rubber-stamping model to interest-based engagement in Best Value processes.
Convincing Commissioners and its Sub-properties

Mandatory reporting to the central authorities is beset by varying degrees of uncertainty and scepticism concerning oversight of reviews by the Best Value Commission. Perceived as highly political, but poorly resourced, the Commission is responsible for compliance to Best Value. Also subject to both alchemic procurement and interpretation, the ODPs must negotiate fit between the Commission and the internal organizational hierarchy: well in my experience the Department has been good, at least they have established the Commission which went out to the LGAs to talk. But the problem is we are still waiting for an interpretation of their expectations on reporting. Well, they are not well resourced; it is all just political isn’t it? When CCT policies were scrapped for BV there had to be an accountability process to show the political decision was correct. So I reckon reporting is all part of the credibility stuff! (Int.14, Code 32). The Commission is recognized as a point of liaison between the local authorities and the DOI /DVC, but regarded by many ODPs as being somewhat of a toothless tiger through lack of appropriate resources to properly audit Best Value.

The main challenge for Praxis is that, if consequences of non-compliance in reporting are not evident, the frame of reference for reporting standards becomes anecdotal. For example, evidence is cited of neighbouring authorities being held up as scapegoats for submitting inadequate reports: for political reasons they needed a report that proved that local government is doing bad things, so the media grabbed the report of Shire X. It hit the papers; and the following day our report was released they just said tidy up around the edges, which is what we did (Int. 12, Code 9). Although one authority is perceived as a winner, while another is seen as a loser, this response is interpreted as the outcome of ‘spin’, as the reasons for the failure are not apparent.

The first sub-property Feedback Deficits conceptualizes perceptions of the effectiveness and validity of feedback given to local authorities about implementation of Best Value by the Commission. Cynicism is high about how reviews are received and processed: feedback is ‘falling over’ between the State and Councils - we compile reports and submit them and what happens then? Commission Reports are few and do not tell a lot...and they take twelve months to get out to us! The Department just hasn’t been serious about it, they got the Commission up and didn’t resource it and some councils just haven’t taken BV seriously at all, in fact, they are picking up more on Business
Excellence (Int. 17, Code 40). In one case it was held reports are just tossed in a corner to catch dust, with nobody reading them, again it is a resource issue.

Given the deficit of feedback on reporting, producing reviews tends to proceed by trial and error: *I am curious where it is going from here because people have interpreted BV so widely. First of all you send reviews to the Ministry, and they never get looked at. I had a session with people from the Department and they said ‘you haven’t complied with BV’, and I just about shot down the phone line at them and tore their throat out! When everyone had calmed down a bit, well I realized they don’t have the resources, the whole of BV is not resourced enough to know what is going on* (Int.12, Code 38). Ironically, the same large rural-city shire had submitted reviews used in the Best Value Commission Report (2003) as best practice. They were commended for closing the feedback loop via brief reporting sheets made available to inform the community of Best Value outcomes. This ODP argued in reality *‘the left hand does not know what the right hand is doing’.*

Lack of resources to deal with authorities, on a case by case basis, is further exacerbated by high turnover of personnel in the Ministry. This further frustrates reporting as a two-way communication process. ODPs also recognize that some personnel from the Central authority are very dedicated, and they are held in high esteem.

With Spin Doctoring, the second sub-property of Convincing Commissioners, ODPs recognize that upward reporting imperatives can easily turn the review process into a box ticking exercise. Given the nature of feedback from the Commission this can occur by default or design: *well yes it is possible to do the BV review and not actually expose anything that should be! I think with the system we have in place, it is fair to say that with reporting up, well… we put a positive spin on our assessment…we have included opportunities for improvement where we want to move on and which we will measure next time* (Int. 5, Code 31). Choosing attainable goals is obviously expedient.

Being Side-lined, the third sub-property, conceptualizes frustration felt even when Best Value Commissioners visit local authorities to make face-to-face contact. The problem is that they consult with Mayors and CEOs about Best Value, but Best Value practitioners (ODPs) feel by-passed: *BV is about good management and therefore it has*
got nothing to do with the council, so why ever ask for the mayor? Our mayor told the Commissioners this, and said he would just be telling them whatever I had briefed him on that morning because that is the way it should be! (Int. 12, Code 39). This is particularly frustrating in cases when there are low levels of engagement among the Council and Executive. Some Council executives manage to include ODPs in the meetings, by gauging their response to reports or local issues.

**Phase Three of Legislative Praxis, Corroborating Choice**

**Overview**

In the third phase of Legislative Praxis, the imperative of community engagement, and other normative elements of the legislation are addressed, by aligning reviewing with community consultation. Endeavours to achieve community engagement must be articulated in the reporting process and evidenced in review outcomes. Consultation with constituents ideally is on-going, representative and publicized through reporting-feedback mechanisms that relay the nature of continuous improvement to the community.

Resolving the complexities of consultation depends on generative action which directs alchemic procurement towards Corroborating Choice for constituents of the local authority. As a significant vehicle for promulgating shared meanings of Best Value objectives such as community sustainability, access and equity, alchemic procurement functions to address community needs. However, firstly, it is problematic to identify ‘real needs’ as opposed to political will or aspiration; and secondly reconciling needs with resource availability or environmental constraints is challenging. Accordingly reviewing must proceed in accord with managing community expectations. Finally, evaluating the outcomes of community strengthening objectives is problematic.

The third phase of Legislative Praxis, Corroborating Choice, is beset with challenges stemming from widely shared problems of targeting the silent majority. Alchemic procurement as the scaffold of Corroborating Choice is represented by the following properties, Generalizing Local Discretion, Managing Community Expectations and Forging Feedback, diagrammed in Figure 7.4. As the outcome of Stage Three, Corroborating Choice makes a strong contribution to the emergence and consolidation
of formal Knowledge Networks that surface as a foundation for advocacy in Stage Four, Legislative Grooming, thus having a significant impact on ODPs effort directed to shaping the future course of the Best Value Legislation.

Properties and Sub-properties of Phase Three

Generalizing Local Discretion and its Sub-properties

In many authorities Best Value continues to be treated primarily as a performance management regimen: *we started with about forty-four services, some as basic as the community bus - an important service...but it is only one aspect of integral support to the community. Because reviewing was done down to that very low level of service things were measured at a really low level... performance alone means you didn’t get a view whether benefits we are delivering to the community are what our [BV] policy intends to deliver, or if the service is even what the community actually wants. It is a problem... how do services and needs and things link up?* (Int.7, Code 10).

Focusing on specific services can easily compromise the broader overview of community support, with public transport needs being mentioned by many participants for example. Strategic renewal needs to hinge on an overview of community needs
rather than becoming very specifically focused on particular services. Value based ‘choice’ needs to be situated with respect to infrastructure needs and other variables including demographics and geographical constraints. ODPs are conscious of this requirement as alchemic procurement is directed to Generalizing Local Discretion represented by the following sub-properties.

The first sub-property Overcoming Awareness Deficit conceptualizes the perceived lack of public awareness about Best Value. Despite the presence of small active lobby groups in every community, the intent of broadly empowering the public is at issue. Engagement may simply be a matter of non-salience as: the same people straddle over a few issues, and I think that would be the case in most communities, definitely in rural ones anyway. For sure, BV was about re-engaging the community, no doubt. And yet, if you do a survey asking people what BV is about, their knowledge would be fairly limited. They may have seen terminology about BV, but most of them would not know a great deal about it (Int. 13, Code 47). Participation in surveys and upwards reporting will not resolve this, and ODPs recognize that the public must be made more aware of the potential public empowerment that could stem from Best Value initiatives.

Communication is further compromised in authorities where public interest in Council matters is deemed to be relatively low: As for BV principles working to re-democratise local government I am not sure it is effective. Probably the further you move from metro Melbourne to the country the less awareness there is of BV in the community ...or even of what it means for them. It may be working here in that all the processes for reviews are in place, but if you surveyed a thousand people asking what it meant, well they may have seen the jargon, but not have a clue what it meant! Even if they could have input... they may not even know what the implications are of that (Int.13, Code 45). Addressing the issue of empowerment is a challenge for increasing public discretion, but also bounded by resources constraints, and by the need to manage community expectations.

The second sub-property Accessing Value represents alchemic procurement as a quest to resolve shortcomings of traditional evaluation methods such as surveys, which still prevail as the most obvious and viable ways for auditing community response. The survey strategies used, including standardized community satisfaction surveys, surveys targeting user groups, and evaluation based on snapshot approaches such as street
surveys, are identified as flawed or significantly non-representative of constituents; or as only successfully targeting users to establish issues of value: *we sent out fifty surveys to all the people who had requested building permits...but we only got fifteen back, but I know they were disappointed ones - with the process because several of them rang me. We can learn from the angry ones what we are doing wrong and so on* (Int. 8, Code 49).

Despite listening to the squeaky wheel in this way, resolving duty imperatives of Best Value may not be addressed.

Ideally, determining value relies on universal representation and perfectly informed citizens who establish shared meanings about resources, as well as giving attention to equity and access dimensions on every issue. For example municipal libraries, even if people do not use them may be highly valued in a community. Likewise, a community hall can be a vital focal point for participation in community life in a rural town and highly valued: *street surveys of non-user groups might get more general opinions, with people that don’t use things like the library, or the’ community house’, and these things. We still need to know what people think about them because even if they don’t use them they might still really value the resource* (Int. 8, Code 1). One shire used a novel approach and got residents taking photos of things they valued about the community, which were not always the things that were addressed using typical evaluation methodologies.

The third sub-property Hearing Silent Voices conceptualizes the challenges of accessing marginal voices on access and equity issues: *the flipside of using the usual approaches is hearing from those who aren’t quite as politically active or as aware because...well, you know... they are part of the community too! Certainly with the urban planning workshop, we deliberately tried to get people who weren’t the usual suspects objecting to development or addressing Council every other week...not that their views aren’t valuable...but we are well aware of what they think so we paid for a company to recruit for focus groups, they specialize in that... to recruit people based closely on the demographic here* (Int. 2, Code 50). Alchemic procurement in this instance is directed to generating community engagement on specific issues, or orienting evaluation to sustainability for the community as a whole. Community panels used to workshop issues deliberately aim to be representative.
The results of accessing silent voices can be surprising even when outcomes would seem tied to factors such as socio-economic difference. For example, some communities have strong antipathy to overdevelopment or increased housing density. Canvassing a fairly affluent older metropolitan seaside suburb, with a few pockets of public housing for poorer residents, it was found that established members living in apartments or poorer pockets of the electorate held passionate views: *we did a lot of focus groups for the urban planning review to establish what people wanted in this urban environment for the future, and overwhelmingly they want to maintain trees and open space. They don’t want dual occupancies or more multi unit dwelling developments. They do want the Bay and the foreshore looked after. Now, wouldn’t you think apartment dwellers wouldn’t be too interested in urban density issues, but the opposite was the case! They don’t look in…but at what they can see outside their window, they don’t care if they live in a dual ‘occupancy’, but they don’t want their neighbours to do so, if they happen to live next to a nice big block with lots of trees they are enjoying that amenity even if it is not their house. You find out some surprising things!* (Int. 2, Code 44). In that authority, what stands for Best Value effectively contravenes broader policy on urban land use, thus politicising the issue.

In summary, the challenges of Generalizing Local Discretion are identified and resolved by alchemic procurement practices. The key anomaly, however, is even when access issues are addressed appropriately to assess community need, the constituents depending most on a particular service are the least likely to engage in genuine critical appraisal of a service. Use of target groups dependent on services like ‘Meals on Wheels’ for instance may be unethical as well as unreliable, as surveys or focus groups might provide good records of performance simply because of the dependence of the user groups concerned. Alternative ways of engaging the community in consultation on issues of value concerning future development of the community are evident, but often prove unwieldy for reporting purposes.

**Managing Community Expectations and its Sub-properties**

Optimal value for particular groups may not necessarily represent Best Value for a community (or for communities) as a whole, if finite resources and sustainability are accounted for; so procurement must constantly resolve the challenge of managing community expectations. Without proper regard for future development, target oriented
consultative processes may do little to improve governance if there are power
differentials ‘within’ and ‘between’ communities, or when there is little likelihood of
genuine local discretion. Concern with sustainability issues varies according to the
geography and demographic profiles between and within communities further
problematizing the attainment of Best Value objectives.

Environmental issues mean some communities do mobilise across the boundaries of
local authorities, for instance to focus on re-cycling initiatives. Interest groups at times
create points of divergence, or convergence around issues relating to the environment,
for example at the time of writing, around the impact of a boat launching ramp and
breakwater proposed at Bastion Point in Mallacoota; or the development of a wind-farm
to generate power in South Gippsland; and more recently concerning the building of a
large desalination plant in Bass Coast Shire. These issues respectively divide the
community, within and across local authorities, as highly politicised developmental
issues. At the height of a record drought, water issues represented a major challenge
particularly in many rural authorities who were also dealing with the double jeopardy of
bush-fire damage as in Eastern Victoria, and the threat of future wild fires. The primary
challenge of managing community expectations is to ensure recognition about the finite
nature of the resources concerned.

With the first sub-property Retaining Community Infrastructure, alchemic procurement
functions to align community aspirations and expectations with resource availability.
For example, if local infrastructure plays a significant role in maintaining community
identity, resource issues can ensure it remains off the agenda: The main issues here are
with infrastructure and buildings. They all want their buildings up-graded. Like now we
have got about four town halls in outlying towns. As the only building they have got ...
they want them up-graded and we just can’t get the funds to do it. They haven’t been
done for years, like they need it...to get new roofing and new flooring. Locals see these
buildings as the centre of their community and think it will get more use if it has been
upgraded which is probably true of course. Or they want to keep them because they are
heritage! They may be all these communities have got so they naturally want to
 preserve them; it is also a consequence of amalgamating down to much fewer shires.
(Int.10, Code 20).
Many small Victorian communities marginalised by amalgamations watch on stand-by as their community infrastructure deteriorates. Best Value is compromised by diminution of direct voice; and through loss of local facilities for social, political and cultural expression where this may be heard. This is also evident in authorities on the rural-urban fringe of the metropolis where amenity is frequently lost, or in serious disrepair, as resources are channelled to more centralized venues. In metropolitan areas, similar inequities also occur if development is not matched with appropriate public transport provision or education and health facilities, meaning access is not equitable. Often these suburbs become commuter suburbs until employment opportunities catch up with housing development.

The second sub-property Accommodating Diversity Demographics sees alchemic procurement focused on demographic changes that directly impact on the Best Value process, sometimes also requiring diversity management to be reconciled with infrastructure demands. This may be compounded in authorities with high levels of ethnic diversity, particularly if these groups are part of a significant itinerant labour force as they are in North Western Victoria: *there is a huge itinerant population here, the largest in Australia, and also a huge illegal population, the ABS stats don’t pick up...they are very reluctant to fill in census data. We made a big effort to get everyone the papers so this can be acknowledged with funding, then two days before the census immigration ‘swooped’ and everyone went underground!! Our population is at least three thousand higher than is recognized... so much for planning and infrastructure needs! We have a distinctive division between the rich and the not rich... and they are bloody poor! There is a region along the river, where a lot of fruit and vegetables grow, and a lot of money is generated, but where there is also a lot of poor and transient itinerant Labour* (Int. 12, Code 48).

An area such as this might be booming economically, with high employment rates, but contain some of the most marginal populations in the State with respect to access and equity factors, that Best Value should address. Initiatives within the authorities to address equity may be stymied by such interventions at higher levels of the governance hierarchy.
Other shires have significant regional issues such as dealing with large seasonal tourist populations: *come summer, we have around 130,000 people here, in winter only about 80,000 permanents. There are implications for service delivery and massive strains on infrastructure like sewerage and waste management for instance. The services have to be there and still have to be operated for twelve months of the year, so we gear up for summer but the logistics are complex* (Int. 8, Code 23). These shires deal with a whole raft of issues relating to managing labour forces and fluctuations in infrastructure needs.

The third sub-property, Managing Sea-Tree Changers concerns interfacing public expectations with community capacity as populations shift to some rural and seaside shires. Unrealistic expectations about service delivery may parallel these changes as an influx of baby-boomers invest or retire in the constituencies further complicating Corroborating Choice: *well you’re looking here at a fairly professional type area, a lot of people have moved here from Melbourne, the tree-changers - exactly! So there is a high skill base. People need to be aware the community has changed in this way. Like demographically, it is an older community now, an ageing community, and all those issues need to be built into long term visions of the council if we are serious about Best Value, We need to say- look do we really have the infrastructure to support an aging community?* (Int. 13, Code 44). If these sea/tree change authorities are also subject to regional tourism development, or issues stemming from itinerant Labour forces, Corroborating Choice becomes more complex.

A fourth sub-property, Gentrification, represents socio-economic changes often found in mainly metropolitan councils, for example around the coastal fringe of Port Phillip Bay or in inner-city suburbs. Uneven socio-economic development creates: *a knock-on issue, as you see more and more of these multistoried developments that look out over the Bay. It pushes the rates up...and poor people in those areas can’t often continue to afford rates or rentals, so you end up with a whole lot of social inequity issues...but people still have to live somewhere, so where do they go?* (Int. 9, Code 46). Changing rates structures have resources and equity implications as residents with lower socio-economic backgrounds are pushed into more affordable areas when transport and infrastructure become Best Value issues directly impacting on equity and access.
Uneven socio-economic development is often an outcome of new boundary alignments, some instigated by Kennett that impact on the socio-economic profile of electorates. Gentrification is a two-edged sword for local authorities trying to achieve Best Value. In rare instances rate bases improve, but costs of new infrastructure and services in newly developing areas invariably counterbalance or more often outstrip this. Future costs and investment, as more affluent segments of constituencies in retirement communities become part of an ageing demographic, require forward planning for health and community support services. Expectations relating to Best Value have to be carefully communicated to publicize boundaries of choice, so alchemic procurement underwrites the management of expectations in order to accommodate sustainability issues as an aspect of Best Value.

Forging Feedback and its Sub-properties

The third major challenge with Corroborating Choice is establishing meaningful feedback cycles for communicating Best Value achievements to the community. A significant problem to be resolved is gaining credibility for the feedback cycle, which is partially dependent on the image held by the public about local authorities.

Sub-property one, Maintaining Image, is addressed by alchemic procurement as Councils are often maligned due to the unpopular things they must deal with. Negative images portrayed by the media impact on the credibility of feedback: 

Yes negative press about the council starts to impact on people living in the area. The local paper deals with issues about council and some of it gets to The Herald-Sun or mainstream press. Most negativity is based in the local press. The people on council dealing with the public wear that treatment...so we try to use the local press when there are good outcomes too, but it is hard to get the good stuff into the press when there is juicy bad stuff happening! (Int. 9, Code 22). To countervail against negative appraisals of local government, feedback loops are managed by juggling the press so as to present a positive spin on choices of action, or provide the public with a rationale for outcomes that may be unpopular with the community. Alchemic procurement informs spin doctoring in this way to counter negative representations of local authorities from the local press.
Information management is critical in providing feedback: *I suppose feedback is successful if your publicity machine is adequate enough to get information out. If it is believable and presented well, it perhaps increases public confidence, but you do have to overcome a fairly substantial mindset in the community about what the Council does* (Int. 5, Code 37). Information on gaps needing to be addressed may be used to improve credibility, rather than putting ‘spin’ on achievements.

The second sub-property Diversifying Feedback Mechanisms represents how procurement is directed to modifying communication of feedback through selection of medium according to the task at hand: *Well apart from annual reports we have a magazine that goes to every householder telling what we are doing in terms of Best Value. Feedback varies for different projects so we use the local press too when there is good stuff…the website holds much more information as well. Website give a ‘snapshot type of thing’, generally when we are doing really good stuff…some service groups also have local interest group magazines, like the sports telecast that our recreational people do, or an environmental newsletter. A lot of these things are used as other vehicles to get information out there. But all these tend to reach target groups more than the general public* (Int. 9, Code 23). To address this problem, informal exchange is used in some authorities to provide feedback and address access issues by increasing local participation. For example, this might be through free community or recreation days that enable council personnel to mingle and engage with members of the community. Some locals who may not participate in formal evaluation processes often offer useful anecdotal feedback in more relaxed settings like this.

Many other innovative consultative strategies are applied to redress feedback shortcomings and improve quality of information gathered. Feedback is geared to reflect the intent of Best Value, and improve awareness about the collaborative aspects of governance. Focus groups, ‘village panels’ when council meetings are held in a range of venues around the shire, and ‘informed panels’ where experts are invited to discuss issues with the community or provide feedback are evident. Task oriented township development committees may advise on specific developments, and community workshops may include councillors or council executives to participate in small group forums to identify future developmental priorities. Efforts to address diversity issues are
also made by increasing face-to-face representation and scribing outcomes to better inform more traditional approaches to consultation, and inform implementation.

A combination of evaluation strategies are directed to providing feedback to demonstrate how the duties overlay of Best Value is attended to: the feedback cycle is important and it seems to be what people are struggling with, so the other element that we are using is triple bottom line. Although we have performance indicators for BV, we use TBL to check we are achieving the right outcomes. Is the community in the shape it needs to be in or are there some glaring gaps (Int. 7, Code 32). Procurement both shapes the form of the feedback cycle, and moulds it to specific requirements in the community to ensure feedback presents the efforts of the local authority to perceive Best Value in the right light.

The third sub-property, Building in Consultation, represents procurement strategies used to ensure in advance that consultation occurs to avert feedback deficits, by building it into planning reviews: initially everyone had to do a consultation plan as part of their terms of reference and a communication plan – they had to ask who am I going to talk to? What am I going to tell them about, that sort of thing? We need this because units don’t necessarily give good feedback when they do consultation and that is the key to BV; I commented just the other day, I think we are good at getting the information in but I don’t think we are giving feedback (Int.17, Code 44).

If feedback mechanisms fail, Best Value early achievements are easily overlooked: For example at the last council meeting a new events policy was adopted. Now a media release went out telling people what the policy was about, what it was for...but failed to mention it came from BV... we got all the information from the community but did not tell them the new events policy was our way of responding to them, and that is how we developed that policy. We weren’t getting out the value of BV by saying this is what it leads to - and what real outcomes are from BV (Int. 17, Code 45). Procurement is required to get the best mileage from our reporting and feedback. Positive Best Value outcomes are recognized and may be used to help feedback have a positive spin: BV has raised awareness of governance issues in people’s minds even if it hasn’t done anything directly yet. Each time we do some evaluation intervention, major surveys- or ones targeting users, or the community itself; BV is picked up more in the service delivery
areas. And it is slowly changing the culture of people in management and the people in the organization (Int. 12, Code 59).

In summary, while Best Value may impact positively on internal governance structures, yet the effectiveness of the Legislation in enhancing community engagement may be difficult to establish. Within authorities generally, awareness of the need for vision and planning to improve governance is heightened; but improved local discretion, and real improvement in community understandings of the role of Best Value is limited, sometimes being confounded by continuation of evaluative practices still oriented to output rather than the normative intent of the legislation: *I’d have to say if we hadn’t introduced community workshops, any improvement in democratic participation might not be the case because we were mainly measuring outputs, not outcomes...now the community engagement workshops give that feedback...this helps community participation definitely...if we want sustainable communities we have to help them be involved in decision making* (Int. 7, Code 47). Procurement is directed to addressing such tensions.

The primary contribution of alchemic procurement in Legislative Praxis is identification of challenges stemming from overlaying performance management tasks with the duties orientation fundamental for generalizing local discretion and strengthening governance. Alchemic procurement practices feed into the Consolidated Knowledge Networks, emergent in Stage Four, as the basis of Legislative Grooming, the final stage of the alchemic cycle. The processes of Stage Three, Legislative Praxis, are however moderated by several factors as outlined in the final section of this chapter.

**Moderating variables for Stage Three, Legislative Praxis**

Operating at an individual, organizational and structural level, a range of factors set boundaries and modify the processes of alchemic procurement during Legislative Praxis.

**Individual Factors**

Scoping is subject to modification according to the Emerging Pragmatic Orientations adopted by Best Value practitioners, and their level of commitment to a community
development perspective. Strong commitments to community development often parallel adoption of ground up reviewing methods and micro-management approaches, as for example when ground staff determine review units and / or define performance indicators. Ironically, potential for reviews to drift away from normative governance objectives is more evident when extreme micro-management strategies are adopted as reviewing can easily become an end in itself, rather than be outcome focused. The counter position, that governance is best enhanced by performance oriented service units and closely managed community expectations is more likely to be evident when hierarchical management practices are regarded as good business practice.

At the individual level Information Deficits present a serious challenge for new Best Value practitioners, with some having no prior experience of the authority, or input into initial scoping decisions, having to deal with the consequences of decisions made by others: here it started off as a real 'micro-analysis' sort of thing...and if I had had it [B.V.] from the start I would not have done it that way. It was absolutely ridiculous! (Int. 16, Code 6). Often, when review units can not be changed, simplifying review tools makes reviewing more manageable and relevant to Best Value objectives. Lack of briefing about pre-existing review methodologies means ODPs must proceed with imperfect information, and a lack of rationale for procedures: My predecessor got the process underway, she set a timetable and left me those units that needed to be done but I had nothing on how others had done it in the past so I had to start from scratch and re-invent the process! (Int.10, Code 2). Reflecting individual experience and understandings of community development; these factors impact at the organizational level shaping the outcomes of Corroborating Choice and the outcomes of Legislative Praxis.

Organizational Factors

Key factors impacting on Legislative Praxis at the organizational level are structural arrangements of service units, role flux, time constraints and organizational capacity.

How service units are defined for Best Practice review purposes plays a significant role in shaping Legislative Praxis. Typically the initial tally of services identified for reviews is reduced by around a quarter to a third, via Tailoring: We grouped reviews and initially had twenty six, I remember saying we don’t want more than letters in the
alphabet! (laughs)! Then we combined some of those, and will with another couple soon. We jettisoned reviewing cemeteries, concluding they aren’t really a council function; they are a trustee function. Individual Councillors may be trustees, but not the council! And trustees are directly responsible to DVC. Also a few things like assets were split too many ways, so we have pulled them and some other areas together so the review process compacted up...we will cut down to about seventeen (Int. 17, Code 22). Alchemic procurement takes a semantic turn in this case, to redefine an original review unit as no longer constituting council business. Such procurement practice indicates the complexities of implementation during the praxis stage; playing a primary role in efforts (described earlier as Procrustean) to keep review processes manageable.

Of all authorities studied, only one increased the number of service units reviewed. Starting with twenty seven units, at the last tally there were fifty units because managers kept identifying different aspects of their services as review foci. While Trimming contributes to reduction of or jettisoning of reviews, the opposite can also occur, with review amplification causing redefinition of organizational structure: In Finance we started out with all the staff in one room, I mean Finance is mainly ‘internal’ and nobody cares much about them... well, they have got customers, but mostly internally, so apart from bill payers who come in, they don’t operate face-to-face with the community. The review started as one unit, but ended up doing payroll, then financial accounting and management accounting (Int. 8, Code 7). This amplification occurred in a large metropolitan fringe council, where Best Value was well resourced by the executive. It would be less likely to occur in a small rural shire.

Scoping and devolution of reviews are moderated by time constraints and the (in)adequacy of resources for coordination and oversight of the review process in both rural and urban authorities, but the impact is greater in smaller rural authorities especially those affected by capacity issues: we are one council that is relatively ‘quite behind’ in the BV program at the moment. Now pressure is really on us to come up to speed; but we found there was a lot of difficulty understanding what had to be achieved - as a small rural council, and I think probably a lot of small rural councils are the same boat (Int. 4, Code 6). Smaller rural authorities are disadvantaged in funding professional development opportunities for operational staff because they do not have a
large enough pool of labour to cover for the time lost. Distance from available forums for staff development further compound access issues.

Personnel changes due to organizational restructures, re-grouping of service units, role flux; or exposure to new information and evaluation tools because of knowledge brokering may cause shifts in performance management strategy in mid-stream: *I think they invented one process, and now we are going the other way towards Business Excellence, tying BV to business plans, that type of approach. The first process did the job to an extent, so some of the reports have been done on that model. And now we are shifting to Business Excellence. At the end of first round reporting we may go completely over to that, but I think we will stick to what we have for these reviews.* (Int. 14, Code 36). Alchemic procurement functions, often innovatively, as a means for adjusting procedure as new information comes to hand. In contrast to this adaptive response, some authorities remain stable, recycling existing methodologies and realigning Best Value with well tried reporting methods.

Organizational capacity impacts on review order priorities with scoping decisions bounded by variability in capabilities within and between service units, and from authority to authority, meaning devolution of report production may vary from unit to unit. Outsourcing or professional development is resorted to - to improve capabilities - when units have little sense of what is required to achieve Best Value outcomes via the review process. In all local authorities some service units are already well placed to capitalise on existing evaluation experience to demonstrate quality objectives. Several factors influence how organizational capacity impacts on Legislative Praxis.

Firstly, adjustments to review procedures or priorities are determined by prior completions, time remaining to complete unfinished reviews, experience of personnel with quality and auditing procedures, and how effectively formal and informal fishing and knowledge brokering strategies are utilized during previous stages of the alchemic cycle.

Secondly, praxis is shaped by cooperativeness of operational managers and ground staff, in defining and communicating Best Value goals across the governance hierarchy. Cooperation is enhanced by selection of user-friendly tools and procedures; readiness to
modify ineffective toolkits; and through procurement of good communication interfaces across different levels of the local authority.

Finally, maintaining momentum with reviews is enhanced by good feedback and regular on-going information and support from ODPs, particularly when reviewing is highly devolved: *I give people a toolkit about how they can go in and look at what a SWOT is all about, and do a demographic analysis and so on. Then they know where they can go in and get the information they need so they can do their own reviews. And some of them have done their own reviews I have just supported them* (Int. 8, Code 48). Modifying variables operating at a broader structural level may be further compounded by a range of structural constraints.

**Structural Factors**

Resources represent a key structural barrier to Legislative Praxis, with authorities essentially required to do more with less: *We really did not have the capacity to provide time for strategic reviews regardless of whether the organization is healthy, or not. I would say ninety-nine per cent of councils were not able to properly provide that time and that is why BV has gone extremely slowly* (Int. 5, Code 24). Competition for funding via the National Competition Policy grant system creates an additional external pressure given that appropriate evidence of Best Value outcomes must be established via the reporting task.

Clear boundaries as to how service deliverables meet Best Value criteria depend on how the community and the target user group perceive the importance of the service. It was evident that a lack of consensus about what constitutes a need, particularly if sustainability is accounted for, may exist.

Resource issues are systemic, seriously compromising the credibility in the local authorities towards the centralized oversight of reviews: *well it is like the State Government just opened up a can of worms with the reporting – the truth is that they can’t really deal with outcomes of it, if everybody is required to do that review process from the ground level up* (Int. 11, Code 31). In such circumstances, there is a constant danger that oversight of Best Value becomes a toothless tiger, and credibility for Best Value processes is tenuous.
Resource crises are more pronounced in rural authorities because: staffing levels here mean we don’t have specialist BV officers created for the role – it is just another role to be spread across other roles, yes...well - added on (Int.4, Code 7). Size is a key determinant of Rural-Urban differences, which in conjunction with the following geographic and demographic factors, impact significantly on Legislative Praxis.

Geographical isolation is experienced sometimes in unexpected ways, particularly with respect to accessing information sharing forums. Long distances mean participation in staff development opportunities or regional or task oriented forums is resource and time hungry, creating job down time: they might be able to make a few phone calls but they are not on the job in the full sense (Int. 6, Code 4). The nature of community engagement and participation, particularly in remote communities, is also impacted on by distance, with constituents experiencing disenfranchisement and loss of community amenities due to earlier council amalgamations.

Ironically while isolation is a constraint in rural authorities, our evidence suggests internal linkages between corporate and elected members of the Council are typically stronger and certainly more personal: I think the council involvement here is quite high. In small rural councils like this, BV is not divorced from decision making at all, it is very much integrated into it (Int. 13, Code 53). In metropolitan authorities it is more likely to be negotiated by the ODP or volunteered, but rarely a given. Changes to composition of authorities as a result of Council elections means newly elected representatives of Council, require induction on Best Value adding another layer to managing the tasks of praxis.

Size of a community can easily affect how Best Value objectives are communicated between levels within an authority, and with the community. Direct linkages with the Council and the community means: we use BV as a conduit between the community and the Council, and all our BV processes have Councillors’ input - setting scope, strategies, and so on - for all service areas. That is how the community is built in directly to our process, because Councillors are really aware, they see Mr. Jones down the street or collecting his milk and paper... they have their finger on the pulse of the place and provide direct interface which they can feed back to us (Int. 13, Code 17). Cooperation between Councillors, senior management and their teams means
operational staff have immediate access, to direct community feedback, concerning specific issues.

Iteration between different levels of the governance hierarchy is achievable in less populous rural shires because of close community links: *in rural shires they rely heavily on council input because Councillors have pretty much hands-on involvement with the community. Both shires I work with depend on Councillors, there are seven representing a pretty small number of people here, not like a metro one where one councillor might represent 15,000 people or whatever it might be* (Int. 13, Code 16). In metropolitan shires there is less likelihood of constituents interacting directly with all their elected representatives, or with council ground staff.

For these reasons, feedback mechanisms have a more spontaneous character in small rural communities, although geographical isolation from the external governance hierarchy impacts negatively in several ways. Firstly, the impracticality of highly centralized reporting regimen is more evident for rural authorities: *BV is problematic because anything that requires documentation has to go between here and Melbourne - and that is a problem just because it has to be ‘done’ here and ‘read’ there. I can tell you that’s a disaster* (Int. 6, Code 42). Communication about Best Value is de-contextualized as a result of the centralized oversight of the legislation. Secondly, geographical isolation - even from immediate neighboring authorities - makes participation in Knowledge Networks more challenging by limiting casual information exchange opportunities particularly for smaller and lesser resourced, authorities. These are also more likely to have less developed electronic communication capabilities.

Finally, changes to the broader socio-cultural context of local government set significant limits on the nature of participation by constituents in consultation: *well the cultural fabric has changed since the 50s with women working and so forth. Yes, one thing people haven’t got now is time, but they are willing to outsource! That is one of the things they learnt from CCT ironically...the whole community learnt to outsource everything* (Int. 7, Code 60). Life-style changes impact on whether Best Value is salient for the citizenry. This point is commented on more by ODPs in metropolitan constituencies than in rural ones where high levels of voluntarism are reported as common features of township life, regardless of Best Value.
Conclusion

The Emerging Pragmatic Orientations, at the end of Stage Two, signal different levels of readiness within local authorities for Legislative Praxis. During Stage Three of the alchemic cycle, the processes and outcomes of the two prior stages converge to shape the implementation of review procedures; gearing them to demonstrate the attainment of Best Value and community engagement in the process. Choice is corroborated, as the normative intent of the legislation is communicated across different levels of the internal and external governance hierarchy, and to the community. As reviews proceed, alchemic procurement practices enable self-regulatory understandings to become more widely shared within the local government authorities. At the same time procurement functions to enhance the overlay of the duties intent of the Best Value legislation, with the performance management task of improving service delivery.

Despite the tenuous nature of feedback from Best Value Commissioners to local authorities on reviews submitted, a feedback cycle evolves to substantiate improved local discretion as Best Value objectives and outcomes become increasingly accessible to ground staff and the public. The result of alchemic procurement practice during Legislative Praxis is more widely based consensus about how review procedures may augment Best Value outcomes.

Alchemic Procurement, during the third stage of the Alchemic Cycle, represents an extension of alchemic conjuring activities, associated with the properties Repairing and Selling, during the prior stage Legislative Smoothing. Concerned both with generalizing the duties intentions of Best Value and performance management, alchemic procurement contributes to making continuous improvement demonstrable thereby resolving the considerable challenges entailed in managing reviews while enhancing local discretion via improved consultation with the public.

Geared to continuous improvement as well as the normative intent of Best Value, alchemic procurement is highly generative in terms of engaging local constituents, although Legislative Praxis does not necessarily entail an orderly linear shift from Best Value principles to implementation. The influence of the many intervening variables outlined above, means generalizing local discretion is unruly and messy, something akin
to being trapped in a revolving door. In terms of the effort necessary to credibly mesh review procedures with requirements of internal and external governance hierarchies and the community, effective alchemic procurement depends on ODPs generalizing the self-regulatory imperatives (represented in the sub-property Re-siting Regulatory Control in Stage One) across the internal hierarchy.

To sum up, the third stage of the Alchemic Life-Cycle, Legislative Praxis, includes innovative responses to resolve challenges and issues associated with procuring Best Value reviews that successfully address the normative aspects of the legislation. The unanticipated consequences of alchemic procurement depend on capacity and willingness of operational staff, Councillors and local executive to engage with the review process; while the extent of corroborating choice and improvement in local discretion is also moderated by a range of variables impacting on the authorities at the individual, organizational and structural level.
CHAPTER EIGHT: Legislative Grooming - Regenerating Best Value

Introduction

Legislative Grooming, the fourth and final stage in the Alchemic Life-Cycle, signals completion of the first reporting cycle as stipulated by the Best Value legislation. In the aftermath of review completion, as ODPs confront a renewed cycle of implementation, the management focus shifts from interpreting, integrating and implementing the legislation when alchemic practice represented reactive responses to the inherent flexibility of the legislation. During Legislative Grooming the predominant form of alchemic practice is regenerative alchemy. Capitalizing on the uncertainties which were problematic during implementation and the first review cycle, ODPs now mediate their experiential learning proactively as a critical resource in moulding the next operational iteration of the legislation.

By aggregating their experiential learning of operational practice, new grounded understandings of Best Value objectives are formulated. Embedded directly in interpreting, integrating and operationalizing the legislation to improve service delivery, reviews have been completed and tabled in response to the inspection regime of the Best Value Commission. The reviews represent attempts to address the duties covenant of Best Value to date. During Stage Four, ODPs’ concerns shift beyond micromanagement preoccupation with conducting service reviews to broader questions about the relationship of Best Value to organizational strategic renewal.

Completion of the first round of reviews is an obvious point for summative evaluation for the achievements of Best Value in modernizing local governance. Via regenerative alchemic practice, advocacy becomes central in ensuring ODPs’ experiential learning is not neglected, as speculation about new iterations of Best Value is gradually refined as new specifications for Best Value, and a centrally decreed renewal agenda for the local government sector articulated in guidelines titled ‘A Whole of Organization Response to Best Value’.

During the various stages of the Alchemic Cycle, making Best Value operational has enhanced understanding within local authorities that improved service delivery depends
on more than outputs. The idea that business units themselves also have responsibilities for strategic renewal have become more widely understood: *With BV the role for council advocacy has grown tremendously. Oh yes! We have ceased being just small units dealing with rates, roads and rubbish, although this is how we used to be recognized!* (Int. 12, Code 52). Via the processes of Stage Three, Praxis, the associated phase of Corroborating Choice is indicative of some generalization of local discretion furthered by the activities of alchemic procurement. This is evident in outcomes from the deployment of a range of feedback mechanisms to publicize the intent, achievements and potential of Best Value both internally within authorities and externally to their constituents.

Aggregated learning from the ‘trial and error’ task of conducting reviews, and sometimes serendipitous consequences of this process, provides the substance of the formal knowledge exchange networks which consolidate in Stage Four. These function as sites of regenerative alchemic practice providing a foundation for renewal of the alchemic cycle as new more holistic operational guidelines for Best Value are reformulated. The most notable outcome of Stage Four, Legislative Grooming is a heightening of awareness about the need to link Best Value more closely with strategic renewal objectives in the Victorian local authorities.

Despite wide variation in interpretation, integration and implementation of Best Value to date, in the fourth stage of the Alchemic Cycle, shared understandings emerge as more formulaic substantiations of Best Value. Mediated as organizational learning rather than divergent substantiations of Best Value, operational experience becomes a fixed point of reference in appraisal of Best Value, and in moulding future orientations to the legislation. Contextually the fourth stage of the Alchemic Cycle, Legislative Grooming presents a marked contrast with the symbolic cognitive contexts in which Best Value was mediated, for example during the first stage of the cycle, via interpretive alchemic practice and the processes of Legislative Filtering.

The organizational learning, incremental at each stage of the Alchemic Cycle, consolidates as a formal knowledge sharing network in Stage Four, as alchemic procurement predominating during the prior stage, Legislative Praxis, is abetted by regenerative alchemic practice. Informing the processes of Legislative Grooming in the
final stage of the cycle, concerns shift from pragmatic issues of conducting reviews to more strategic concerns. Regenerative alchemy underwrites the production of guidelines for a Whole of Organization Approach to Best Value, and informs the articulation of ‘Place’ within local authorities, flagging the renaissance of a new Alchemic Cycle along with a renewed operational cycle of implementation for the Best Value legislation.

In turn, this operational reformulation of Best Value legislation can be expected to be subjected to a further Alchemic Cycle, as indications suggest the immediate pre-occupation of implementing reviews in a timely manner within business units must be supplemented by a closer consideration of how this process relates, firstly, to overall strategic planning processes in the authorities and, secondly, to the issue of how inspection should be conducted of Best Value outcomes.

**Resolving Participants’ Main Concerns in Stage Four**

In Stage Four, with the demands of reviewing temporarily suspended, the need to unravel complexities of Best Value in relation to broader strategic planning becomes evident. During Legislative Praxis, despite the achievements of alchemic procurement for timely completion of reviews, many questions relating to the role of Best Value in organizational learning become apparent. While the first cycle of reviews identified gaps in services, contributing to some improvement in service delivery as well as improving communication pathways within and between business units, strategic renewal is not necessarily addressed through a piecemeal approach to improved service delivery. With the review process completed, questions emerge concerning the role of Best Value as a tool for community strengthening and attainment of sustainability objectives. The role of Best Value in strategic renewal for example, through generalizing local discretion, improving community engagement and promoting local leadership, remains elusive. Not only is this more difficult to track (and inspect) than continuous improvement in service delivery, but also the relationship between inspection and the duties covenant of Best Value is far more difficult to articulate and evaluate.

Apart from the emerging Consolidated Knowledge Networks (or perhaps because of them), the most significant change during Legislative Grooming is significant
modification in how the Best Value Commission and State authority (DVC) represent themselves to ODPs. The role of the Best Value Commission shifts from one of regulatory oversight, predicated only on direct contact only with CEOs and Mayors in the local authorities, to one of more direct collaborative engagement with ODPs.

Practitioners, particularly those with experience dating to the inception of Best Value, are valued as ‘stewards of Best Value’, and treated by central authorities as repositories of organizational learning. More generally, ODPs become situated at the interstices between the State regulatory body of Commissioners, and the internal hierarchy of local authorities. Articulated within the emergent Knowledge Networks as ‘organizational learning’, commonalities of Best Value outcomes and innovations are legitimated as grounds for moulding the future course of Best Value, and for advocating where Best Value, Mark II may need modification. During Stage Four of the Alchemic Cycle, regenerative alchemy is directed to furthering organizational learning and advocating for closer connections between Best Value and strategic renewal initiatives in local authorities.

Concerns with clarifying relationships between Best Value and planning initiatives in Council Plans, Annual Reports and resources allocation processes are expressed along with frequent reference to the concept of the ‘Community Plan’, although there is little consensus about what this entails. In contrast, widely shared understandings exist that within service units, and more generally organizationally, budgets tend to drive planning processes, thereby compromising potential of Best Value as an engine for strategic renewal.

Pressure for timely completion of reviews and the need to resolve ongoing pragmatic problems associated with Legislative Praxis obfuscate the relationship between strategic renewal and Best Value; also leaving unanswered the question as to whether monitoring by the Best Value Commission has contributed to realization of the duties provenance of the Best Value principles. Mechanisms for linking external evaluation, continuous improvement and strategic renewal objectives remain ill-defined, contributing to a new context of uncertainty for ODPs, in which perceived achievements to date within business units must be presented and defended.
A primary concern for ODPs in Stage Four is protecting perceived gains in local autonomy, as also indicated by the phase Corroborating Choice and property of Generalizing Local Discretion in Stage Three of Legislative Praxis. Given the coming election, a spectre of uncertainty fuels conjecture about the future of Best Value, meaning the ethos at the end of the first reporting cycle is surprisingly reminiscent of that in Stage One Legislative Filtering, when ODPs struggled to interpret the flexible terms in which the legislation was framed.

The challenge of identifying how Best Value functions optimally to generate systems survival, sustainability and robust local authorities is at issue during the fourth stage of the Alchemic Cycle. Reflecting March’s (1991) position that organizational renewal depends on both exploring and learning new ways, while simultaneously exploiting what has already been learnt, this requires ODPs to balance identification of new constructions of Best Value with exploitation of their already considerable effort to attain Best Value objectives within specific business units in the authorities. The new round of implementation is indicated by emergence of the appellation ‘BV, Mark II’, as regenerative alchemy functions to ensure gains in local autonomy are not compromised by re-emergence of new centrist regulative imperatives to the existing reporting requirements as an outcome of evaluation and reappraisal of current Best Value practice.

The challenge of linking Best Value with strategic renewal objectives essentially links the fourth and final stage of the Alchemic Life-Cycle to a renewed Alchemic Cycle when The Whole of Organizational Approach to Best Value presents a ‘new specification’ for operational practice. Legislative Grooming has three phases, diagrammed in Figure 8.1 with associated properties to conceptualize the processes via which tensions between exploration and renewal objectives are balanced with the exploitation of prior learning, in the fourth stage and final stage of the Alchemic Life-Cycle.
This chapter starts with an overview of Legislative Grooming, followed by discussion of the three phases of Stage Four, and relationships between them. Detailed along with associated properties and sub-properties, extracts from the coded data provide conceptual clarification illustrating how regenerative alchemy is directed in each phase to balancing attainments of previous stages, with the impetus for on-going exploration and innovation to address strategic renewal issues. In the final section of the chapter, key moderating variables for Legislative Grooming are presented to elucidate how processes during Stage Four bring the first Alchemic Cycle to closure, while setting parameters for the next round of Best Value, and flagging the start of a new cycle of Alchemic Practice.

**An Overview of Stage Four, Legislative Grooming**

Consolidating Knowledge Networks as the primary characteristic of Stage Four reflects the institutionalization of organizational learning that occurred in prior stages of the Alchemic Cycle. Being under-resourced to produce a comprehensive evaluation, the Best Value Commission’s oversight of the service reviews tabled by local authorities has meant that reporting so far represents a limited audit of how Best Value objectives
have been met in the local government sector. This factor contributes to a reorientation of power differentials across the governance hierarchy in Stage Four and increasingly reliance on ODPs, as closest to the ‘coalface’ and a valuable resource for reappraisal of the legislation.

During Legislative Grooming, opportunities exist for ODPs to identify and address gaps in the feedback loop between the Commission and local authorities, and between Councils and their constituents. The primary challenge for ODPs in Stage Four is balancing and harmonizing demands for continuity with changes necessary to ensure Best Value moves forward. The trial and error nature of making Best Value operational, during earlier stages of the Alchemic Cycle, combined with the variable strategies of Legislative Praxis, obviates the possibility of conflating Best Value outcomes to date with maximal learning for strategic renewal in local authorities. Explore and exploit are antonyms for regenerative alchemic practice. Concerned with strategic aspects of organizational renewal and mediating both positive learning outcomes and negative effects of Best Value to date in their authorities, ODPs amplify organizational learning by showcasing relevant aspects of operational practice. Their feedback to DVC is simultaneously directed to critically appraising aspects of Best Value that have constrained potential learning, organizational growth and continuous improvement in service delivery.

The uneven nature of feedback from the Best Value Commission to local authorities means reflection among ODPs is not necessarily based on consistent understandings about what constitutes successful performance to this point. For instance, there has been no attempt by the Commission to aggregate data or specify firm precedents for best practice, although some examples of good practice are available in the Commissioner’s reports, electronically and by way of anecdotal exchange.

As collaboration between Regional and Statewide Corporate Planners Networks increases, more avenues are available than in previous stages of the Alchemic Cycle for direct engagement between ODPs and State representatives. Several ODPs participate in working parties of the Corporate Planners Network, especially those who were instigators of emerging Regional Networks. Becoming key players at the interstices of
knowledge exchange they contribute to linking all levels of the governance hierarchy more closely.

As collaborative engagement between various levels of the governance hierarchy is stepped up, it is characterized more positively by stakeholders further cementing new co-dependencies reflected in changed language and represented by Central authorities as ‘a proper pathway’ for establishing protocols for the future course of Best Value. From the practitioner standpoint, increased engagement contributes to anticipatory speculation, and ODPs are on ‘high alert’ to cues about intentions of the State department. This fuels much discourse within local authorities about the likely future course of the legislation, making participation in appraisal of the legislation and regenerative alchemic practice more imperative. Directed to demonstrating organizational learning, it is understood by ODPs that first hand knowledge of implementation can be used to leverage future permutations of the legislation for essentially instrumental ends.

This first task for ODPs is to ensure that the review process is understood by Best Value Commissioners as organizational learning. By showcasing attainments and continuous improvement to best possible advantage, as well as by demonstrating the Consolidated Knowledge Networks as a positive linkage across the governance hierarchy, ODPs advocate ensuring recognition of the complexity of implementation. For example, concern about the time entailed in doing reviews is emphasized, and grievances about reporting requirements are voiced. The current boundaries of regulation are represented as burdensome and obstructive, particularly for under-resourced or small authorities who have an eye for negotiating manageable terms for the next cycle of reviewing. A convincing case for focusing on strategic renewal is built on the basis of their experiential learning with regenerative alchemy being directed specifically to shaping guidelines being currently produced for the next phase of Best Value.

In the aftermath of amalgamations, changing boundaries of most authorities - particularly in rural areas - caused an erosion of sense of place and community among constituents and council staff, so regenerative alchemy is also directed to maintaining perceived gains in autonomy in local government authorities. It thus underpins the alchemic conjuring of phases such as Repairing during Stage Two, Legislative
Smoothing. Avoiding costly efforts of re-orientating organizational culture to centrally imposed strategic initiatives (as learning in the early stages of the alchemic cycle indicates), is a concern in planning new iterations of the legislation. This is particularly true in cases where autonomy has been enhanced as local authorities mobilized to redress the lasting effects of the prior ‘hostile’ legislative regime.

Paradoxically, while initially a source of confusion or anomie for participants, the flexibility implicit in the legislation now represents an opportunity to leverage and regenerate local autonomy, as well as impetus to preserve or rebuild ‘Place’. This adds to the imperative of ensuring central authorities (DVC, BVC and MAV) recognize achievements of local authorities as positive reflections of the modernization agenda for Local Government that made Best Value mandatory.

As the first cycle of implementation ends, anxiety about reassertion of Centrist regulatory tendencies is high among ODPs. If evaluation of current practice evidences shortcomings, Best Value may emerge in the public eye as a failing project, placing local authorities in the firing line of local interest groups as well as on the stage of party politics. News quickly circulated about the tabling of a Victorian National Parties ‘Draft Policy Directions Paper’ before the 2006 election. It included critique of Best Value legislation, a negative evaluation of the Best Value Commission and expressed intent to revert to transparent performance management practices more typical of the CCT period. This effectively furthers collaborative engagement between the Commission and ODPs, during Stage Four. If ODPs are to influence future iterations of Best Value and modify reporting regimens, they must ensure innovation is projected as forward looking by deploying and exploiting experiential learning to best advantage.

Legislative Grooming has three phases. The first phase, Consolidating Knowledge Networks, represents formalization of linkages emerging from earlier stages of the Alchemic Cycle. As an institutional framework and site of organizational learning this functions as a forum for leveraging the future course of the legislation. The second phase, Soothsaying, conceptualizes speculative activity among ODPs on future directions of the legislation, including acknowledging consequences of potential changes of government as a result of the coming State elections. The third and final phase, Reconstituting Place and outcome of the Alchemic Life-Cycle, represents the
consequences of responding to shifting political contingencies; resolving tensions around past (experiential) learning; and building on this to establish new innovative pathways for organizational learning into the future (viz. organizational strategic renewal). These phases with their properties and sub-properties are outlined below.

Phase One of Legislative Grooming: Consolidating Knowledge Networks

Overview
Stage Four is characterized by emergence of knowledge exchange as patterned and instrumental negotiation for articulating Best Value as operationally effective in Victorian local authorities. As the contextual aspect of Legislative Grooming, maturation of knowledge sharing occurs within local authorities, and by means of burgeoning inter-organizational linkages indicates evolution of organizational learning and growth of knowledgeable communities of practice. Regenerative alchemic practice, predominating in Stage Four, underwrites the advocacy typical of Legislative Grooming expressed primarily through the forums of the Consolidating Knowledge Networks.

The emergent consolidated networks are an unintended consequence of informal alliances initially established as outcomes of alchemic interpretive processes during Legislative Filtering. These mediations - further processed by the alchemic conjuring practices of Fishing and Knowledge Brokering in Stage Two, Legislative Smoothing - are relatively dormant in Stage Three when pragmatic concerns predominate. Nevertheless, they segue neatly into the alchemic practice typical of Stage Four as in the emergent communities of practice, learning exchange - typically an informal process in earlier stages of the alchemic cycle - becomes a formalized mediation.

As key sites for information-exchange across the governance hierarchy, regional alliances are ‘incubators’ for such advocacy: Fantastic, this is a great bonus in any industry to have that sort of networking. It has helped me, it has helped others... but more importantly, it has allowed us to have an advocacy role with the DVC, they send representatives down and now we are able to directly put our own point of view (Int.15, Code 43). Three different forms of Network are indicated, represented by the following diagram of the properties and sub-properties of phase one, with each form characterized by different modes of learning exchange and innovatory practice.
Properties and Sub-properties of Consolidating Knowledge Networks

Local Linkages and its Sub-properties
In the first phase of Legislative Grooming, based on learning accumulated throughout the first reporting cycle, a close re-appraisal of Best Value along with much reflection on the review process occurs amongst ODPs and operational staff in local authorities. Although power to determine the future course of Best Value remains in the hands of the Best Value Commission, linkages among local authorities work to strengthen shared understandings of the learning gained, and exchanged, within and between, the authorities as represented by the following sub-properties.

The first sub-property, Internal Middle Management Networks, contributes to disseminating learning and innovation in two ways. Firstly, within the local authorities information exchange occurs between service units: *improvements came purely because we got managers into the same room who previously never spoke to one another. This was not just once off either, but over a twelve month period; so relationships developed. And between them they started picking up new ideas; piggybacking on each other, so a lot of innovation came out of that!* (Int.12, Code 57). The learning stems firstly, from cross-disciplinary exchange; and secondly, as a result of breaking down the ‘silo effect’ often referred to by ODPs as a consequence of CCT. Information flow within the organization improves making it possible to spread innovation beyond the boundaries of individual business units.
Sub-property two, Cross-Organizational Linkages, conceptualizes exchange as managers liaise with ‘counterparts’ in neighbouring authorities: there is no doubt managers in general talk to their counterparts in authorities around them, and get a very good idea of what is going on in areas immediately around us. They know more about trends, say in neighbouring metro regions, than what is happening further away at the rural level for example (Int. 2, Code 57). Such interaction consolidates linkages between neighbouring authorities, to establish communities of practice for exchange of specific service related learning and innovation.

As a third sub-property, Local Governance Networks, represent the consolidation of increasingly cooperative linkages between authorities and other local service agencies operating in the area: Best Value has enhanced community governance at the grassroots level, because we are now able to have input into all or most of our services from community groups; so you get voluntary networks running alongside BV in more of a shared quest for delivering services, and we complement each other better. From the customer perspective it means agencies have direct input into the way we run the council too (Int.11, Code 34, 35). Consensus that consolidating linkages with community agencies and voluntary bodies strengthens governance is in keeping with the duties covenant of Best Value; and this is the case even in rural areas where voluntarism is regarded as already high and part and parcel of ‘the country way’.

Inter-Organizational Networks and its Sub-properties
The evolution of communities of practice among the ODPs is evident in the increase of participatory engagement in inter-organizational knowledge sharing activity regionally, and Statewide. Regenerative alchemy is significantly reflected in the ways ODPs participate in these to mobilize and support shared learning and knowledge exchange. As representation from the central authorities is present, this signals a reversal of the marginalization experienced at earlier stages of implementation, when ODPs were not directly consulted by the Best Value Commissioners, as conceptualized by the sub-property, Being Side-lined, in Stage Three.

The first sub-property, Regional Networks, conceptualizes institutionalization of regional interstices for learning, information exchange and negotiation between ODPs
and representatives of the State department (DVC). In routine liaisons, ODPs from between ten to fifteen local authorities in neighbouring Shires and Councils meet every two or three months to discuss matters relating to Best Value: *Yes networking is very important for BV, because it means we don’t reinvent the wheel if someone is doing something well with good results. Maybe this can be introduced into your own organization - that is the point of it* (Int. 1, Code 55). Learning exchange on issues impacting on implementation of Best Value contribute to some Councils and Shires assuming significant mentoring roles for neighbouring authorities, as well as sharing expertise on review processes, advice on different toolkits for reviewing, strategic initiatives and alliances for service procurement or delivery.

Emergence of regional networks is indicative in Stage Four of how learning occurs at the organizational level in considerably more patterned ways than in prior stages of the Alchemic Cycle. For example, robust leadership patterns emerge from within the Regional Networks contributing further to dissemination of innovatory practice and strategic initiatives: *in the Eastern Regional Best Value Group, with about ten councils represented, with BV we set up a sustainability framework. Our Shire was well ahead with this compared to others, and I am talking here about several big metropolitan councils, so there was a lot of feedback and exchange around sustainability issues passed on and picked up by other authorities.* (Int. 1, Code 54). In another regional network, a smaller rural Shire provides intensive support to a large geographically dispersed neighbouring Shire falling badly behind with review targets because their review process is hijacked by a range of local contingencies, including preoccupation with processes conceptualized as Repairing, in Stage Two.

Initially representing forums of information-exchange at the local level, Regional Networks become more consolidated sites of direct negotiation with Central authorities after reviewing is completed, operating as points of direct exchange between ODPs, the State department (DVC) and Best Value Commission. Invited DVC representatives contribute thoughts on particular issues at regional network meetings, compensating for the lack of direct contact with ODPs earlier in the Alchemic Cycle. This makes exchange between different levels of the governance hierarchy routine; and on the surface at least, the nature of engagement is highly collaborative and co-operative. This was not always the case as at some Network meetings observed in this project, direct
DVC representation was present for only part of the time, and collaboration became less enthusiastic in their absence. Although community liaison personnel from DVC are present on some occasions, mistrust of central authorities in the absence of more senior representatives from DVC is sometimes evident in talk of self-interested centrist conspiracies to protect their own accountability.

The second sub-property, Task Oriented Groups, signifies emergence of institutional forms directed to specific needs, for example, benchmarking. These may be set up as points for procuring services to achieve economies of scale, thereby reducing reliance on costly outsourcing. For example, one Shire managed a car leasing facility for itself and two surrounding shires. In another instance, several Shires started Group Eleven, to provide several large local authorities in the region with information and expertise to assist with benchmarking, saving costs of outsourcing to centralized professional bodies for supplying information, or reverting to user-pay services made available via DVC. Avoiding reliance on outsourcing means local expertise and learning is shared with considerable cost savings, providing spin-offs for professional development of operational staff involved locally.

The proliferation of information sharing across the sector includes resource exchange via the internet, which extends access to authorities isolated by geography, and ODPs not directly involved in formal networks. The high levels of learning exchange contrasts radically with the ethos of the prior period which constrained learning because: CCT created secrecy, people hiding stuff, and competition; now people aren’t afraid to ask, and are prepared to give information. A wonderful outcome of BV is sharing of information across local governments, in the region and right across the State. The excellent professional development coming out of this for individuals is quite amazing (Int.17, Code 41). Potential for learning exchange in this way generates the imperative for local authorities to develop or improve existing technological capacity.

Professional Networks
A number of statewide professional associations operate in conjunction with local government authorities. Often ODPs as members of Regional Networks participate either as full members, or in an advisory capacity, representing local networks in these forums. Interface and knowledge exchange, for example with the Corporate Planners
Network, further consolidates the emergent institutionalized framework, linking experiential learning at the organizational level with broader objectives of strategic renewal, and a more holistic modernization agenda for Best Value.

LG Pro, as a professional association, interfaces with professional bodies such as the Corporate Planners Network and is instrumental in establishing task oriented working parties to establish new guidelines for Best Value. Working parties document best practice benchmarking strategies, thus playing a role in shaping future iterations of Best Value as the Alchemic Cycle approaches renewal around new more specified guidelines. Representation from the State Department as required means further direct exchange occurs between State wide professional bodies and Best Value practitioners. The nature of engagement is highly collaborative and co-operative.

In summary, institutionalization of knowledge sharing and learning-exchange occurring during Stage Four is paralleled by increased inclusion and dependence on practitioner experience by the Central authority (DVC). This dependence is indirectly acknowledged by the Best Value Commission as evidenced in language used to represent the learning that has taken place as: a maturation of the local government sector. Contrasting with earlier stages of implementation (represented as the sub-property Being Side-lined, in Stage Three), ODPs now assume a central role in the consultative process.

The consolidation of knowledge-exchange networks implies further generalization of local discretion based on experiential learning of the past five years, meaning networks now operate as forums for political leverage between various levels of the governance hierarchy. Contrasting with earlier stages of the Alchemic Cycle, when knowledge brokering emerged as an unintended but highly generative consequence of the anomie resulting from the flexible terms of the legislation, and the lack of procedural direction for implementing Best Value, regenerative alchemic practice in Stage Four transforms the knowledge brokering of earlier stages of implementation into more politically intentioned institutionally patterned learning. As such, it is more readily directed to consolidating gains achieved in local autonomy during the initial operationalization of Best Value. These gains are conceptualized as the final phase of Legislative Grooming, Reconstituting Place.
As a site of politically intentioned action, the Consolidated Knowledge Networks indicate a consequence of self-regulatory orientations, segueing out of action at the individual level in Stage One of the Alchemic Cycle as the sub-property Re-siting Regulatory Control. In effect, in the fourth and final stage of the Alchemic Life-Cycle, ODPs (and indirectly operational managers) achieve influence beyond the immediate auspices of their roles on the future course of Best Value.

In this way, regenerative alchemy functions to amplify the legitimacy of Best Value as a viable project of rule for strategic renewal, and for mollifying uncertainties stemming from the imminent State election. By leveraging their experiential learning imperfections in the present regulatory-reporting regimen are flagged contributing to much speculation as to whether current review practices should be abandoned, relaxed, modified or simply refocused towards different parts of the governance hierarchy, primarily ‘downwards’ to the community.

While processes associated with previous phases of Legislative Praxis reflect learning-exchange at the individual and group level, both within and between authorities, the Consolidating Knowledge Networks signify the emergence of organizational learning as an enduring and collaborative form of knowledge-exchange. This self-conscious collaboration was far less evident previously in the Alchemic-Cycle in processes associated with Corroborating Choice and Generalizing Local Discretion in Stage Three. Also in Stage Four, knowledge-exchange networks are no longer embryonic as in Stage One, when learning tended to be more individually processed and serendipitous. As patterned modes of exchange, the information-exchange networks of Stage Four are also less tenuous than those preceding the Emerging Pragmatic Orientations at the outcome of Stage Two, as cognitive maps for implementing Legislative Praxis, in Stage Three.
**Phase Two of Legislative Grooming, Soothsaying**

**Overview**

As a result of the emergent Consolidating Knowledge Networks, direct and indirect ‘traffic’ of collaborative exchange multiplies across the governance hierarchy. Information sharing is treated positively by Central authorities, who laud it as an appropriate pathway for establishing protocols and guiding future iterations of Best Value. Simultaneously, information exchange within the Consolidating Knowledge Networks fuels speculation and anticipatory readings among ODPs concerning Centrist responses to the future of the legislation, as conceptualized by Soothsaying, the second phase of Legislative Grooming.

Soothsaying as a phase resonates with Fishing, a sub-property of Knowledge Brokering, in Stage Two, being speculative in nature and at times gossip-like in transmission. However, with reporting completed, fears surface of reprisals being directed to local authorities or falling short of reporting requirements. Speculation for example centres on links between reporting and future funding, concerns felt most keenly by councils who struggled with reviews, or those who received negative feedback on reviews tabled with the Commission.

The uncertainty characteristic of Legislative Filtering, resurfaces in different guise in Stage Four: *Even if reporting requirements alter, or the focus shifts somewhat, most people here are in a sort of Catch 22 situation with doing their job because we have to keep Best Value going, and contribute to where it is going next, and we are not necessarily getting the support locally that we'd like to do this!* (Regional Network meeting notes). Unlike earlier stages of the Alchemic Cycle, when the context of the reviewing created uncertainty, in Stage Four it is fused with concern about lack of shared understandings on the role of Best Value as an aspect of organizational strategic renewal.

The micro-management focus predominant during Legislative Praxis meant alchemic procurement practices were directed to resolving immediate problems of scoping and completing reviews. Strategic objectives and governance protocols of the Best Value
charter were secondary to preoccupation with pragmatic details of completing reviews. With reviews completed, evaluation and reformulation of Best Value assumes first place on the agenda, requiring a more forward-looking perspective to be adopted. Properties of Soothsaying reflect this change of perspective and re-orientation to the role of Best Value in strategic renewal, during Legislative Grooming.

Hitched to strategic renewal objectives, regenerative alchemy predominating during Stage Four is a qualitatively different form of alchemic practice from alchemic conjuring in Stage Two. An operational grasp of Best Value is now assumed by ODPs, unlike when emergent Situated Readings, the outcome of Stage One, guided the Best Value process forward, as ODPs struggled to construct cognitive maps to interpolate the legislation at the local level. Now more strategic and evaluative preoccupations with organizational renewal emerge contrasting also with the focus of alchemic conjuring as it shaped Emerging Pragmatic Orientations, at the end of Stage Two, to shape the decision-making processes of Legislative Praxis in Stage Three. Regenerative alchemy, as the signature form of alchemic practice during Legislative Grooming, is focused on balancing organizational costs of the review process including the burden entailed in this task for ground staff, with the improved governance aspirations and duties framework of the Best Value agenda. Soothsaying, the second phase of Legislative Grooming, is represented by three properties diagrammed as follows in Figure 8.3.

The first property Reading Cues constitutes speculation about the future course of the legislation. The second property Balancing Concerns conceptualizes awareness of the need to reconcile organizational costs of Praxis to date with a more holistic strategic renewal agenda and duties covenant of Best Value. The third property Bullet Proofing conceptualizes pragmatic measures taken to ensure experiential learning from current review procedures remain viable in contexts of uncertainty, particularly if electoral or other changes at any level of the governance hierarchy are afoot.
Properties and Sub-properties of Soothsaying

Reading Cues and its Sub-properties
The first property of Soothsaying, Reading Cues, is akin to crystal ball gazing, entailing speculative behaviour to ascertain the future of the Best Value program. As strategies for interpreting events over which little direct control can be exercised at the local level, Reading Cues is deployed to assess the likelihood of regulatory changes or changes to the reporting cycle. Despite Best Value Commission reports, the extent to which reviewing to date will inform evaluation of the current status of Best Value, or impact on impending resource issues, is unclear. Intermediate directives received by local authorities from the Best Value Commission do little to alleviate this confusion.

The first sub-property Mediating Cues, includes interpretation of information circulating within Consolidating Knowledge Networks; letters accompanying the Best Value Commission Reports from DVC; draft guidelines circulating in the regional networks on ‘A Whole of Organization Approach to Best Value’; and other political
treatises, or comments in the press regarding the future of Best Value, with respect to possible electoral change. Second-guessing is rife and exacerbated by the coming election; with speculation spreading in ways that undermine ODPs efforts to maintain the legitimacy of Best Value objectives in the local authorities.

There is urgency about stressing the onerous nature of reporting requirements and concerns about resources contingencies to Central authorities: as I read the directives from the Commission - the requirements haven’t demonstrably changed ... we still need to do reporting, timetabling and have a program, these things are STILL a requirement! So is reporting directly to the community (Network Meeting Notes, July 2005). Regenerative alchemic practice is directed to modifying regulation of reporting upwards and to maintaining, renegotiating, and in some instances even late in the implementation process, continuing to gain perceived losses of local autonomy.

According to ODPs, the belatedly released 2004 Best Value Commission Report is read by executives in their authorities, as indicative of a ‘softened approach’ to Best Value as a project of rule. This makes their job harder, so pressure is exerted in regional forums to get further clarification: since the Report came out the DVC issued a much firmer statement of the fact [in that letter], that councils still must have a BV program and that they will continue to be required to report to DVC (Network Meeting Notes, July 2005).

The second sub-property, Responding, conceptualizes exchange between the Best Value Commission and ODPs around ‘Best Value, Mark II’. In the interests of participating collaboratively, a form of détente is cultivated between the State Department, the Best Value Commission and practitioners, with practitioner motivation high for participating in preparation of drafts of new Best Value guidelines. The need to reconcile differences that may have prevailed in earlier stages of implementation and the relative marginalization of ODPs by central authorities is apparent to all concerned.

Discussion focuses on potential modification to reporting requirements, and speculation centres on whether reporting should be abandoned, relaxed, modified or simply refocused: If anything, the Commissioner’s report is just indicative of a shift in ‘focus’ in how reporting is done – suggesting it should shift more to a community orientation rather than upwardly oriented (Regional Network Meeting Notes). Any
communications regarding the direction of reporting up or down the governance hierarchy is closely scrutinized by the ODPs, particularly as the deadline for the first reporting cycle approaches and pressure to meet review timeframes mounts. The nature of potential regulation of reporting in the future is also discussed. Information ‘deficits’ fuel second-guessing about the likely course of reporting and regulatory imperatives.

As an outcome of consolidation of the Knowledge Networks, information is very rapidly relayed between practitioners and within authorities, inflaming speculation concerning Best Value, Mark II. Previous experience of electoral change in composition of councils and shires at the local level brings knock-on effects that impact on management practice, sometimes jeopardizing organizational commitment to Best Value. It is widely held that electoral changes at the State level would be similarly destabilizing, given how elected representatives effectively control policy making, as opposed to management processes.

The third sub-property, Dragon Slaying, characterizes how responses from DVC are interpreted by the ODPs. Community liaison officers’ reactions of ‘hosing down’ and neutralizing uncertainty and the latent anxieties associated with Soothsaying are understood as having the primary objective of reassuring practitioners. Such reassurance is also evidenced in the repeated mooting by DVC representatives of collaborative approaches as the best pathway for ensuring future iterations of the legislation do not further stretch local authorities, particularly with reviewing and reporting requirements. Openness to practitioner experience is emphasized, and reliance on experiential input stressed; and, representatives from DVC and BVC constantly remind practitioners that the Commission Reports are documents: coming directly from the sector itself, and therefore reflecting experience of practitioners (Regional Network Meeting July, 2005). Such assurance of ownership is received with scepticism given the initial sidelining of ODPs in consultation processes related to oversight of the legislation.

Despite the sceptical response of the ODPs, collaboration is complemented by collusion about the value of practitioner contributions to learning and innovation to date: I firmly believe there is a real readiness at this point for the Department to listen and take on board feedback, and even some uncertainty how BV will move forward at that level (DVC representative commenting; from Network Meeting Notes, July, 2005).
Community consultants from the State body, also put a convincing case that *there is also some uncertainty about how BV will move forward at the Departmental level* (Regional Network Meeting, July 2005), suggesting there is an Achilles heel within the Central authority. Awareness of this increases the ODPs’ ability to leverage via the Regional Networks.

In sum, the phase of Reading Cues and its sub-properties make apparent the increasing co-dependency of Central authorities on ODPs for legitimation of Best Value as a continuing project of rule; and to establish its relevance for future modernization of Victorian local government. In assuaging doubts and anxieties experienced at different levels of the governance hierarchy, regenerative alchemy functions to modify fear that local authorities will readily revert to a state of indifference about statutory imperatives of Best Value, if there are signs of faltering at higher levels, meaning the attainments of Legislative Praxis can easily slip through the cracks.

**Balancing Concerns and its Sub-properties**

Regenerative alchemic practice is directed to resolving tensions experienced both by practitioners, and representatives of the State department (DVC) as ODPs struggle to strike a balance between immediate operational business of local authorities, and alignment of Best Vale objectives with pathways for strategic renewal to maintain forward momentum with the new project of rule. The following sub-properties indicate the complex nature of collaborating to achieve this end for both parties.

The first sub-property, Batting on Both Teams, characterizes the complexity of DVC representatives’ task of reconciling the ODPs experience with strategic initiative. The community consultant attending Regional Network Meetings to liaise between DVC and the local authorities plays a peculiar role of batting on both teams arguing: *the message from DVC is that it wants to increasingly treat LGAs as politically autonomous units. The Commission’s report shows the State Government Department has recognised the reporting code is the part of the legislation that has proven incredibly onerous for some councils; and also that there are serious resources issues entailed. I think you will find that they are keenly interested in your responses to, and perceptions generated by the report* (RNM Notes, July 2005). The promise of local autonomy and
recognition of problems with the reporting task provides incentive for ODPs to remain collaborative.

The second sub-property, Stepping up Lip-Service, characterizes how - despite lip service to local autonomy, and reassurance from DVP representatives - critique of the oversight by the Best Value Commission remains robust among ODPs. Functioning to directly expose the community consultant to the perplexities they experienced during implementation, in Stage Four, ODPs are concerned that communications from the Commission and DVC generates further tension in authorities because of its lack of firm intent, thereby making maintaining momentum with Best Value more difficult. This causes representatives from DVC to redouble efforts to gain input from practitioners, while constantly affirming the readiness of DVC to take on board and learn from the experience of practitioners.

As preoccupation has been primarily with implementing appropriate performance management frameworks, a major concern now is how forward planning and budgetary processes can be integrated and linked with the duties covenant of Best Value for improving community engagement and governance process. Consensus about the relationships between planning processes, the distribution of resources and Best Value is tenuous however ODPs agree planning is overly driven by budgetary constraints particularly when Best Value is linked to service delivery at the micro-level. Such an approach also makes it difficult to consider strategic renewal goals for the organization as a whole.

The third sub-property Avoiding Retrograde Threat, represents how strategic renewal objectives of Best Value are increasingly compromised at all levels of the governance hierarchy as the State election draws nearer, and competing political rhetoric surfaces and negatively portrays Best Value, for example in a draft policy paper from the National Party: The Bracks’ Government introduced the nebulous concept of ‘Best Value’, a concept so vague it is meaningless. Best Value Principles are little more than a collection of motherhood statements; and the Best Value Commission has not delivered any practical benefits for councils or ratepayers’ (National Party Draft: 2005:9-10). In tones echoing Kennett’s CCT policies, the Nationals promise to abandon
Best Value Principles and dismantle the Best Value Commission. They call for councils to regularly be put to ‘a market test on major services they provide’ (2005:9-10).

The threat of Best Value being up for re-negotiation because of electoral change is cause for ODPs, who have invested considerable effort in making Best Value operational, to act collaboratively with the Commission. Reconstituting the program to make it effective and viable provides a context over which practitioners at least maintain a semblance of control. Dismantling the reform program and reinstatement of a more centrist regulatory market model typical of the Kennett period is regarded as retrograde by practitioners and community representatives from DVC; suggesting a strong shared commitment to a community development perspective in both quarters.

Despite repeated assurance about the validity of practitioner input for determining the future course of Best Value, conspiracy theories inevitably surface in the authorities: I can’t help thinking the way that the BV Reports are produced is partly a reflection of political expediency, so if the Opposition comes up in the next election they can’t turn it back on Bracks, and say Best Value was a failure - particularly as it is statutory (RNM, July, 2005), Such speculation reflects the precarious nature of the collaborative interface between practitioners and the DVC.

The outcomes of reporting via reviews reinforced negative speculation about the Best Value Commission’s ability to audit the course of Best Value so far. What becomes of reviews when they are tabled with the Commission is unclear to most ODPs, as is the connection between reporting outcomes and systematic evaluation of the program: feedback is falling over between the State authority and councils. We compile reviews and submit them, and then what happens? Well, Commission Reports do not tell a lot! And they take twelve months to get out! DVC has not been serious about it, they haven’t resourced BV when they got a Commission up but did not resource BV within the department itself. It may yet come back to bite them on the behind… in some Councils they haven’t taken BV seriously at all, and they are just picking up on Business Excellence now (Int. 17, Code 40).

In sum, the intent of the DVC is read in some local authorities as signalling some demise of the legislation (whether it does or not). Simultaneously, practitioners
recognize achievements of higher levels of autonomy for their organizations than during CCT, recognizing that this is a significant attainment of experiential learning and professional development stemming from the operational practices of implementing Best Value, despite lack of guidance experienced in earlier stages of the Alchemic Cycle.

**Bullet-proofing and its sub-properties**

Bullet-proofing, as the third property of Soothsaying, represents pragmatic strategies used to prepare for, and adapt to changes stemming from re-orientations to Best Value at other levels of the governance hierarchy. Regenerative alchemy is deployed to render local authorities less vulnerable to electoral or other centrally instigated change, and as a bid to maintain control of Best Value legislation at the local level. It includes efforts to preserve legislative flexibility and improving local autonomy.

With the political process beyond direct control of ODPs, mistrust concerning potential changes to Best Value is palpable, similar to that evidenced in Stage Two of the Alchemic Cycle when Best Value was first introduced. Regenerative alchemy is directed to making management processes sufficiently robust to survive and even pre-empt changes due to disruptions to the electoral landscape, whether local or central. Interpretation of reports and directives from the Best Value Commission and DVC in turn influence strategies to maintain legitimacy of Best Value as a community development aspiration in local constituencies, as represented by Bulletproofing, via the following sub-properties.

Cushioning, the first sub-property, represents damage control practices deployed to reduce the impact of Soothsaying on eroding current learning derived from implementing Best Value to date. Cushioning, as a strategic response to uncertainty about the future, is instrumental rather than speculative. Conceptualizing activity directed to strengthening the de-centralized regulatory regime of Best Value, Cushioning operates to minimize potential interference from centrist hierarchies. However, this can mean implementing Best Value is more vulnerable to ‘white-anting’ or insurrection from within local authorities. Regenerative alchemy is practiced to ensure the right amount of external support is available to bolster local autonomy. This is achieved partially by developing review management systems that are easily
adaptable to change, but also by maintaining a sufficiently regulatory ethos to support the legitimacy of Best Value as a program of rule within the authorities.

Although ODPs present as collaborative during Stage Four, Cushioning is better understood as para-collaborative, being covertly interest based and geared to the expediency of maintaining Best Value within local authorities. Regenerative alchemic advocacy associated with Cushioning is directed to constructing outwardly positive context for collaboration both with the external and internal hierarchy, while ensuring the flexibility of the legislation and local autonomy it affords are not compromised.

This is partially achieved by Exploiting Information Deficits, a second sub-property of Bullet-proofing. Through engagement in Cushioning, a positive communication context is constructed to capitalize on the ambiguity and uncertainty in directives from the Commission to deal with the following paradox: *The serious dilemma we all face is, on the one hand, BV is meant to be flexible and in truth we did, and do not, want highly prescriptive guidelines; but on the other hand the legislation is there, and this is not going to fundamentally change, whatever modifications are made to the legislation.* (RNM Notes July, 2005). The need to sell the potential of Best Value for maintaining autonomy within local authorities remains as an imperative to be balanced against the contrary dependence of ODPs on support from external regulatory forces to do so.

A third sub-property, Creating Co-dependence, resolves the dilemma of balancing regulation with expediency. If the Departmental line is too soft, legitimacy of Best Value is eroded, so cultivating co-dependency with DVC is expedient: *flexibility will be a key with the next round of BV. But in some ways this is in itself a bit alarming because it is very easy to read the report as: you can pick and choose what you review, when you review and even if you review! It seems to me like a recipe for total confusion!* (Regional Network Notes, July 2005). The dangers of returning to a situation of Best Value principles without procedural guidelines, typical during Stage One are evident; and some compulsory regulatory oversight is recognized as necessary to ensure Best Value principles are taken seriously including by the executive of local authorities: *We already have had enough trouble convincing staff and the executive of the worthwhile nature and legislative ‘necessity’ of doing BV* (RNM, July 2005).
In Stage Four, practitioner confidence in the Commission and DVC remain at a low ebb: *DVC has a part-time person who is supposed to support the BV Commission. But there is not a single person in there who actually knows what every council is up to!* *There is not even a person who sits in there and receives reports from council X, and Shire Y, or anywhere, and evaluates how they are going* (Regional Network Notes, July 2005). Paradoxically, this conviction about the lack of holistic oversight generates increased co-dependencies between different levels of the governance hierarchy, providing stronger grounds for central reliance on experiential intervention by ODPs in evaluating and appraising Best Value. However, such dependencies are not so strong as to totally over-ride uncertainties felt at the local level as conceptualized by Soothsaying.

**Phase Three of Legislative Grooming, Reconstituting Place**

**Overview**

Regenerative alchemy in Stage Four of the Alchemic Life-Cycle, ultimately finds expression in behaviours, actions and processes directed to Reconstituting Place. In this final phase of Legislative Grooming, a more organizational wide commitment to the duties domain of the Best Value legislation emerges manifested in a concern with community strengthening, and demonstrated in a strong orientation among organizational practitioners to maintaining local autonomy and furthering community development ideals.

Despite growing complicity between Central authorities and ODPs, and regardless of intransigence of processes associated with Soothsaying, Reconstituting Place depends on regenerative alchemic practice for resolving the paradox of legislation that depends on reconciling performance management with quality, access and equity principles. With a democratic covenant of governance via consultation and community engagement in sight, regenerative alchemic practice operates to protect and consolidate local gains in local autonomy and to nurture a sense of ‘Place’ that may assist in promoting the emergence of local leadership and genuine local discretion. The newly institutionalized knowledge networks become increasingly focused on supporting clearer articulation of community development aspirations, particularly the need for local authorities to come to generate minimally some discourse, if not consensus about what constitutes a community plan, as opposed to a Council Plan. Regenerative alchemy underscores
claims for Reconstituting Place, by ensuring the experiential learning gained from making Best Value operational in local authorities is validated through reconciling formulaic representations of Best Value, with contingencies of practice and community development aspirations that underwrite the Best Value principles.

Two significant challenges remain in Stage Four. Firstly, the as yet unresolved problem remains of ensuring that Best Value is not simply treated as an add-on layer to council business within local authorities. This depends on acceptance of Best Value as integral with strategic planning rather than as an aspect of the review process directed to improving service delivery in specific units within authorities. The second challenge is protecting gains in local autonomy from erosion by Centrist tendencies. Any further regulatory imperatives issued by DVC will compound implementation, even when intended to minimize misinterpretation of Best Value Commission Reports as occurred for example in the previous phase of Soothsaying.

While Soothsaying as a phase conceptualizes the inherent paradox of balancing the need for DVC support to maintain legitimacy of the Best Value program in local authorities, with the urgency of defending and sustaining local autonomy, in the third and final phase of Legislative Grooming this problem is provisionally resolved, as the Alchemic Life-Cycle is set for further renewal in response to the Whole of Organization Guidelines emerging from appraisal of implementation to date.

Articulated in the Consolidated Knowledge Networks, the advocacy at the core of regenerative alchemic practice is directed to shaping and influencing how the legislation is understood and mediated to maintain local autonomy and contribute to building a sense of Place and local identity. Accordingly, in the final stage of the Alchemic Cycle, regenerative alchemy is deployed to amplify the legitimacy of the project of rule associated with Best Value; while simultaneously operating to contain Centrist tendencies and maintain control of a locally enforced regulatory regimen. Reconstituting Place is conceptualized with the following properties Showcasing Learning, Sustaining Locale and Calling the Shots as diagrammed in Figure 8.4.
Properties and Sub-properties of Reconstituting Place

Showcasing Learning and its Sub-properties
Opportunities for Showcasing Learning occur primarily as an outcome of the reporting process, and in this sense are continuous throughout the first five year review cycle of implementing the reform. In Stage Four, however, with most reviews tabled and ratified by the Commission, there is general consensus among practitioners that the review process did not necessarily generate adequate community feedback to close the feedback loop between the authorities and their constituents; and, that the Best Value Commission was under-resourced to audit in a manner that provides conclusive evaluation of efforts to implement Best Value thereby closing the feedback loop between the local and Central authorities. The problem also remains of gaining organizational wide acceptance for the central role of Best Value for strategic organizational renewal.

Regional Network Meetings are the main forum for advocating to the State department on the need for Best Value to be accepted as strategically significant in the local
authorities. As Best Value Commissioners originally consulted with mayors and CEOs to get feedback on progress with the legislation, it is not surprising that practitioners make the most of this opportunity to express their concern. As feedback from the Best Value Commission has not assisted with establishing feedback cycles that clearly support continuous improvement or attain value with respect to strategic renewal and sustainability, a call for a more specific role for Best Value in strategic renewal in local authorities is made. Regenerative alchemy is directed to addressing shortcomings of the review process and reporting in light of this intent, as represented in the following sub-categories.

Sub-property one, Minimizing Differences, entails advocacy for modification of reporting practices to improve chances of Best Value for impacting on strategic renewal: *The point is we should be able to demonstrate we are achieving BV through our own planning processes; so this means only that our corporate planning and council plans should be linked in with BV in ways that ‘demonstrate our compliance’. The idea is advocated that clear boundaries need to be established to integrate Best Value with organizational planning at a level above the service unit delivery area.*

Sub-property two, Re-cycling Learning, includes activities aimed at drawing attention to positive Best Value outcomes in regional forums so representatives of DVC will act as conduits to the State Department and working parties actively engaged in producing new guidelines for the program. This means minimizing individual concerns about flawed aspects of operational practice and showcasing considered achievements of Best Value for example: *look at Shire X we are basically happy for the legislation to remain in place because a lot of positives have come out of the process of implementing BV for us and it sat well with our community sustainability focus* (Participant Comment, RNM notes, July 2005). In regional networks, experiences are presented collectively to State department representatives, capitalizing on positive outcomes of reviewing as validation for the achievements in central authorities to date. One participant puts the position that *Rome was not built in a day;* suggesting gradual improvement and a shift towards governance imperatives of Best Value are evident, although there is still room for ‘Better Best Value’ by refocusing on the role it plays in strategic renewal.
The third sub-property, Sharing Concerns, represents the strategy of aggregating learning to express shared concern about the future of Best Value in planning processes of the authorities. Despite a positive picture of outcomes from reviewing, concern is expressed about a widespread disconnect between planning and budgeting imperatives in local authorities: *Budgets drive planning instead of the other way around* (RNM notes, July 2005). This factor fundamentally undermines efforts to align Best Value with strategic renewal initiatives and community engagement in determining these. Regenerative alchemic practice is deployed to reformulate Best Value as a mechanism for improving alignment of planning processes and budgetary imperatives beyond the service unit level. Collusion with DVC is directed to gaining appropriate support to ensure Best Value is understood: *not just an ‘add-on’ to what people do in the LGAs but more as an integrated part of the planning process at all strategic levels* (Participant comment, RNM notes, July 2005).

Advocacy in the Consolidating Knowledge Networks promotes the message for a holistic approach to strategic renewal, emphasizing the need for coherence and integration of Council Planning and potential Community Plans which are as yet unspecified. In the long term, potential of Best Value lies in recognition of its relevance for formulating long term visions of enduring and sustainable communities. In Stage Four, Legislative Grooming, Best Value emerges as an ideological stance and value position for practitioners, although the reality of reviews means it is still grounded in performance management.

In summary, during Stage Four, key challenges to realizing Best Value stem from how the review process of Stage Three, Legislative Praxis, keeps Best Value shackled essentially to the level of service delivery. Service and achieving continuous improvement by definition involve the immediacy of dealing with the here and now, and depend on appropriate micromanagement at the service unit level. This easily problematizes the brief of addressing future sustainability and strategic innovation - unless service delivery is closely linked both with need-based consultation with the public - and with more general strategic oversight. Improving community engagement generates oppositional tension, and expectations in the community about the need for local authorities to be based on genuine discretion.
The Best Value principles of participatory democracy represent an ongoing challenge for the local authorities. If the costs of genuinely innovative community development remain secondary to pragmatic long term strategic renewal goals, inevitably genuine exercise of community discretion crumbles in the face of budgetary constraints making a mockery of the democratic participatory ideals of Best Value.

Sustaining Locale and its Sub-properties
A primary concern in the final phase of Legislative Grooming is defending local autonomy from changes that strengthen the existing Central regulatory framework particularly to the reporting regimen, which has proved onerous for many authorities. Accordingly, regenerative alchemic practice is directed to sustaining perceived gains in local autonomy made in the past five years. As well as reporting issues resources constraints impact on implementation of Best Value making it difficult to sustain long term changes in Victorian communities. These concerns are firmly on the agenda in negotiations about the future course of Best Value. Reconstituting Place includes all attempts to protect local autonomy, boundary cost shifting from the central authority to the local ones, and to ensure the growth of local discretion is viable.

The first sub-property, Tying Budgets to Planning, represents how ODPs advocate for ways to link Best Value with long term visions for sustainability. Within the twelve month period between the two reports produced by the Best Value Commission such concern becomes more urgent: *a main impulse for BVII should be towards trying to generalize a situation where planning rather than expediency drives budgeting, and this also means containing cost shifting down to us* (RNM, July 2006). The implication is that the real potential of Best Value lies with its capacity to address triple bottom line issues in a more productive way than has been achieved so far. Practitioners realize the chances of developing real local autonomy and enhancing potential for genuine community development are jeopardized unless budget processes are more transparently linked to Best Value objectives.

The second sub-property, Managing Expectations, represents the need to develop boundaries for community discretion that set parameters for realistic choices: *somehow we have to fundamentally change the perception of what a service is. To deliver a service is something where dollars are only ‘one’ resource of very many... we must also*
think in terms of people, human capital, assets, capacity, environment... and the future of the region as a whole. If BV has done anything in my authority, it is that budget planning ‘links’, for the first time ever into the council plan! (RNM, July 2006). Redefining what a service is in this way represents a significant challenge and a critical orientation for linking Best Value objectives with organizational strategic renewal.

Calling the Shots and its Sub-properties
Despite flexibility implicit in the initial legislation, bids to secure local government autonomy remain precarious in many authorities. The State election, scheduled for November, 2005, and the still highly centralized regulatory climate for mediating Best Value means a sense of ‘Place’ emerges as an increasingly important factor in mediations as the Alchemic Cycle progresses. This is particularly the case for some rural communities where constituents are diverse and often geographically dispersed. The urgency is even greater if authorities are additionally beset by environmental contingencies such as drought, water shortages and issues of environmental degradation, including salinity. Reconciling such localized dimensions of Best Value with resources constraints and modalities of centrally regulated performance management frameworks remains elusive.

The implicit agenda of Legislative Grooming is rendering reporting requirements more manageable for local authorities, as these have proven particularly onerous in smaller authorities, and when oversight of Best Value and feedback mechanisms have been less than adequate. Relaxation of the original reporting regimen would represent a tangible validation of the implementation of Best Value providing tacit acknowledgement that it has been responsibly managed to date given local contingencies.

As practitioners actively engage in mediation to produce guidelines to represent the accumulated experiential learning in a ‘Whole of Organization Approach to Best Value’, participation in guideline production is an obvious way to Call the Shots. This will ensure the sector receives a user-friendly document to support further implementation of continuous improvement and the Best Value agenda. A similar document on best practice benchmarking is also being produced.
The first sub-property, Rendering Participant Support, represents how practitioners in regional networks deploy regenerative alchemic practice in active involvement in producing the guidelines, as Legislative Grooming progresses towards Best Value Mark II. Practitioner ‘in-put’ for formulating guidelines is valued and encouraged by State authorities, and contributions and feedback on drafts is provided from various forums of the Consolidating Knowledge Networks, as well as via direct representation by practitioners in working parties to produce the guidelines for performance management and for benchmarking with Best Value.

A second sub-property, Producing Guidelines, conceptualizes the re-cycling of learning from the previous five years into the production of guidelines. Despite some mistrust of the process, and DVC euphoria about the contribution of practitioners and ‘maturation of the management in the sector’, practitioners who collaborate consider the new guidelines cynically, as ‘phoenix-like’ (rather familiar) arising ‘from the ashes’ of their struggles, mediations and experience in making operational sense of the legislation (represented by properties and processes of earlier stages in the alchemic cycle). The contents of the (draft manual) are accordingly familiar to participants especially those involved with implementation from the inception of the legislation. Some disparaging comments are made including: it looks a bit like a manual for teaching us how to suck eggs really, because we have been there before, and done all that (Conversation at RNM: February, 2006).

A third sub-property, Not the Holy Grail, conceptualizes how the new guidelines represent a trade off by ODPs in maintaining local autonomy, while having sufficient support from the DVC to keep Best Value legitimate in their authorities. For representatives from the Consolidated Knowledge Networks, the guidelines represent in essence the ‘piece of the puzzle’ missing at the inception of the legislation. However, now informed by experiential learning of practitioners (and to a lesser extent, by outcomes of oversight engaged in by Best Value Commissioners), the indication is that in essence ODPs are real repositories of the learning to date. In this capacity they - by default - modify the role of the Best Value Commissioners as the legitimate regulators for oversight of the program.
In summary, although new guidelines are based on considerable consultation with practitioners, as a document taking the program into the future based on a ‘Whole of Organization Approach to Best Value’ they seem to represent ‘shutting the proverbial stable door, after the horse has bolted’, especially to those involved in producing them. Whether viewed as ‘after the event’ or a reconciliatory document, by other members of the local government sector; or as a valuable set of guidelines for the future course for the legislation, remains to be seen as a new round of the alchemic cycle is initiated.

Objectively, the Guidelines represent a compilation of operational directives based on the learning and struggles of ODPs implementation of Best Value. For practitioners, including those with relatively low levels of engagement in initially implementing the new project of rule, or newcomers to the ODP role, such a document may prove of value. To those with low levels of optimism as conceptualized in the Situated Readings of Stage One, or non-aspirational Emerging Pragmatic Orientations as conceptualized in Stage Two, the guidelines launched on September 8, 2006, in a report called ‘Guidelines for a Whole of Organizational Approach to Best Value’ are a matter of curiosity. Hosted by a large regional shire about two hours drive north of Melbourne and attracting interest from municipalities all over the State, the meeting to launch the new guidelines is attended by representatives from the DVC, as well as by many practitioners. A Best Value Commissioner launched the Report on a note of optimism and with high praise for the practitioners’ participation in producing it.

The fourth sub-property, of Calling the Shots, Deregulating Reporting, represents issues associated with Reporting, problematized by practitioners wishing to assume self-determination about the course of Best Value, while at the same time recognizing that the project will be taken less seriously, if self-regulation becomes the norm. There are fears that Maintaining Momentum as represented in Stage Three, Legislative Praxis, will be compromised without the clout of the State to support ODPs initiatives: this is a serious dilemma we all face... on the one hand the process of achieving BV was meant to be flexible and in truth we did, and do not want highly prescriptive guidelines; but on the other hand the legislation is there; and, it is not going to fundamentally change even if the reporting requirements alter or the focus shifts. This puts most of us in a sort of Catch 22 situation with doing our jobs and working in the organization (RNM notes, July 2005).
The dilemma of finding an appropriate form and locus for regulatory control, whether or not this is via the reporting process, is indicative of how the responsibility of control has shifted to local authorities. Conceptualised in Stage One as a ‘cognitive shift’ - undergone primarily by ODPs and conceptualized as Situated Readings of the legislation - the dilemma of self-regulatory control remains for the ODPs even at this late stage of the Alchemic Cycle. However, having experienced the reporting process first hand the expedience of having an external regulatory force for driving implementation has become more apparent to ODPs.

Nevertheless bifurcation is deeply embedded between the real businesses of attaining Best Value and reporting which continues to be flawed, and this issue remains still essentially unresolved: The point is we should be able to demonstrate we are achieving BV through our own planning processes; so this means that our corporate planning and council plans should be linked in with BV in a way that ‘demonstrates’ our compliance. This should be enough – there is not a need to have such a top down regulation or enforcement of compliance because once ‘LG has demonstrated it has matured enough to evaluate its own planning process, as many have’, it should be left to get on with its real business (Conversation at RNM, July 2005). This contrasts with the message from DVC as interpreted in regional networks, that it is less equivocally concerned about re-siting the locus of control locally, than it is to ensure (regulate) a shift in the ‘focus’ of reporting to the community.

The key message conveyed is Best Value principles remains unaddressed for the next phase of implementation, but the principle of feedback for future iterations of the legislation, is via reporting to the community rather than upwards to the Department. Such a shift is interpreted as: A new ethos and one of ‘partnership’ with the Department; rather than one of ‘compliance’. This would not make reporting any less vital but reporting would essentially be a function expressing the relationship of the local government unit to the community to address its needs, not a function of rigid upward compliance to Department requirements. (RNM Notes, July 2005). While legislation relating to Best Value is statutory, Ministerial codes and reporting compliance could be less rigidly specified, to reflect the ‘organizational maturation’ as an outcome of reviewing and changes made in local authorities since Best Value was introduced.
Moderating variables for Stage Four, Legislative Grooming

The properties and sub-properties represented by the three phases of Legislative Grooming outlined above are multi-layered and convergent. Underpinned by questions relating to access to funding and resources, as expressed in widely shared concerns among ODPs about cost shifting from the State to local authorities; equity issues intersect with the interests of maintaining local autonomy and building genuinely collaborative interfaces between various levels of the governance hierarchy.

During Stage Four of the Alchemic-Cycle, as ODPs assume a more direct role in negotiating the future course of the legislation, individual factors resume a key role as moderating factors in mediating the implementation of Best Value (as was the case during Legislative Filtering, when interpretive alchemic practice predominated as ODPs struggled to make the Best Value principles ‘thinkable’ and operational in the local authorities). Whilst the organizational and structural factors evident during the prior three stages of the Alchemic-Cycle continue to be influential as moderating variables in Stage Four; it is the commitment of the ODPs to community development objectives that acts as a key moderating factor and determinant of the consequences of Stage Four, Reconstituting Place.

Frequently practitioners who assumed a central role in generating exchange of information via Fishing and Knowledge Brokering are directly represented in the newly Consolidated Knowledge Networks of Stage Four. Playing an instrumental role in working parties and mediations for producing the new guidelines for a Whole of Organization Approach to Best Value, the contributions of these parties are now endorsed by the Department of Victorian Communities and the Best Value Commission. In this manner practitioners act as interstices of the Knowledge Networks making a significant contribution to re-orienting the management focus to linking Best Value objectives not just to continuous improvement within service delivery units, but to contributing to a more holistic approach to strategic renewal for example by establishing shared meanings as to what constitutes a community plan to inform community strengthening initiatives and sustainability goals.
Implicit in all stages of the Alchemic-Cycle, during Stage Four, mediations sited in the emergent Consolidating Knowledge Networks provide avenues for articulating flaws in the review process during the initial stages of implementation, and identifying the need to address broader issues of strategic renewal, and governance objectives for sustainability as opposed to more tangible goals of improved service delivery.

The indication is that with renewal of the Alchemic-Cycle, overcoming problems of budgets driving planning in business units, and making Best Value relevant to strategic planning and organizational renewal at the organizational level, may be targets for Practicing Alchemy as ODPs grapple with new challenges of implementation, to interface Best Value objectives with the long term sustainability of communities. Consensus that cost shifting issues circumscribe real potential for local authorities to achieve Best Value, and sustainability in developing their communities is widely shared by organizational practitioners, setting serious constraints on development of genuine opportunities for local discretion in the community.

**Conclusion: Making Best Value More Robust**

In conclusion, during Stage Four of the alchemic cycle, knowledge sharing extends beyond the provenance of the local authority as new knowledge networks evolve and learning transcends the individual cognitive maps constructed as Situated Readings of Best Value vis-à-vis specific authorities, and shared anecdotal experience typical of Stage One. The three phases of Legislative Grooming - Consolidating Knowledge Networks, Soothsaying, and Reconstituting Place - have been presented here with their properties and sub-properties illustrating increased collaboration between the State, Regional Networks, and ODPs as they contribute directly and indirectly to determining the future parameters of Best Value via working parties within the Corporate Planners Network and LG Pro.

Late in the alchemic cycle, information exchange is embodied in institutionalized pathways for knowledge transference, providing sites of advocacy for (and between) local authorities. As formal nodes of learning transference, the consolidated networks constitute a provisional framework for renewal of the Alchemic Cycle. As local authorities participate more directly in formative activities to groom and shape future
iterations of the legislation, a more direct consultative process emerges with practitioners renegotiating the regulatory framework for Best Value. The primary concern in Stage Four of the alchemic cycle is ensuring Best Value Mark II does not jeopardize attainments in autonomy from the first phase of implementation, as substantiated by consensus between different levels of the governance hierarchy concerning the positive organizational learning and innovative responses resulting from Best Value legislation.

During Legislative Grooming, the institutional pathways of learning emerging as Consolidating Knowledge Networks, gain status as sites of practitioner knowledge, with communities of practice that become important in evaluation of Best Value. The Networks function simultaneously as a point of leverage for organizational development practitioners to build on a sense of Place within local government constituencies.

In prior stages of the alchemic cycle, knowledge brokerage is generally pragmatic; and sometimes represents unintended, but highly generative consequences of the anomie associated with a dearth of procedural direction in implementing reviews. In Stage Four of the Alchemic Life-Cycle, knowledge brokering becomes more politically intentioned, as regenerative alchemic practice is deployed by practitioners to leverage for and sustain local autonomy and strengthen the governance process.

In addition to protecting gains in autonomy from centrist erosion, and furthering claims to place, the main problem resolved in this fourth stage of the Alchemic Life-Cycle is ensuring the experience of implementing Best Value is recognized and validated by Central authorities. Mobilized on the basis of experiential learning to negotiate future operational directions for the legislation, inherent tensions between formulaic representations of Best Value and daily operational contingencies of implementation as a response to Centrist imperatives are temporarily resolved.

Legislative Grooming and regenerative alchemic practice function to ensure that Best Value is not treated within the local authority as simply an ‘add-on’ to council business. Via these means, ODPs ensure Best Value is construed as integral to the right for self-determination in local authorities as to determining what constitutes value for a constituency. Through representation in a range of forums on the future of Best Value,
advocacy is used to mediate how the legislation should be read, understood and carried into the future. Commitment to these disparate imperatives suggests that some internalization of the enforced self-regulatory 'subjectivities' on which Best Value implicitly depends has occurred.

An efficacious actor network indicates learning about Best Value and governance is more widely shared, as collaboration moves beyond learning exchange as informed by interpretive, conjuring and procurement forms of alchemic practice that predominated in prior stages of the Alchemic Cycle. Exchange becomes legitimized occurring through institutional paths indicating more broad based ownership of Best Value, and some devolution of regulatory control to lower levels of the governance hierarchy.

As a formal institutional structure for more instrumental advocacy, the Consolidated Knowledge Networks shape the future course of the legislation at the end of the first cycle of reviewing. Regenerative alchemy provides practitioners with temporary resolution of the problem of maintaining continued legitimacy for implementation, as the outcome of Legislative Grooming presents a platform for moving beyond the immediate complexities of implementation, towards a strategic renewal orientation and signals emergence of a new alchemic cycle. The management focus is likely to be directed to issues concerning the relationship between forward planning and budgetary processes, and the role of Best Value in organizational renewal. The question of how to evaluate such developments must also be addressed in the next cycle of implementation.

In the last count, staking out the future course for sustainable community development is contingent on how the State evaluates mediation of governance responsibilities by local authorities. Best Value practitioners, particularly those directly engaged in the Consolidating Knowledge Networks, along with representatives from the Central authority, now emerge as conjoint producers of new guidelines for Best Value with promise of a framework for future iterations of the legislation that both amplifies and legitimizes Best Value as a continuing modernization agenda for local government.

As the consequence of regenerative alchemic practice predominating during Legislative Grooming, a conjunction of the accumulated experiential learning grounded in ongoing praxis, and a new forward orientation to innovative change are linked with the objective
of promoting practices for achieving sustainable and equitable communities through renewal of organizational strategic initiative. This conversation between past and future can also be conceptualized as the renaissance of The Alchemic Life-Cycle, when once again Alchemic Practice will be directed to resolving issues of interpretation, integration and application of the new guidelines now available.
CHAPTER NINE: Literature Comparison - Discussion and Implications

Introduction

In keeping with the tenets of Orthodox Grounded Theory, the intention of this chapter is to present a comparative literature review by drawing on the extant literature to identify comparisons and contrasts with the findings presented in chapters Five to Eight. An eclectic substantive literature is investigated ranging from fields including organizational learning frameworks, network analysis, Foucaultian concepts of Governmentality, and the role of new public management theories in public sector administration, with 'selectivity according to the perceived areas of relevance' (Guthrie, 2000:101). Ideas drawn from these fields are woven together and discussed in relation to the research findings, adding density to the emergent theory of the Alchemic Life-Cycle. However, as each field includes a far more extensive literature than can possibly be addressed in the confines of this thesis, only ideas of immediate significance are examined.

More specifically, the objectives of this comparative literature analysis are firstly to consider the basic social process of the Alchemic Life-Cycle in relation to a current conceptualization of knowledge management (see Birkinshaw and Sheehan, 2002). Secondly, the emergent theory of the Alchemic Life-Cycle is situated relative to literature on Organizational Learning, most notably a recent formulation by Crossan, Lane and White (1999) which closely approximates the findings of this research. Their framework in emphasizing the significance of strategic renewal for conceptualizing organizational learning resonates strongly with the consequences of Legislative Grooming, Stage Four of the Alchemic Cycle as discussed in Chapter Eight, and represented by the property Reconstituting Place.

Building on these conceptualizations of knowledge management and organizational learning, the discussion thirdly addresses the relationship between Communities of Practice theory and Actor Network theory (see Fox, 2000) positing that taken in conjunction these situated learning theories indicate complementary theoretical insights to those offered by the Alchemic Life-Cycle. As a parsimonious theory and basic social process representing how organizational practitioners resolve the primary concerns of implementing Best Value in Victorian local authorities, the Alchemic Cycle explains
how the uncertainties of legislation couched in deliberately flexible terms generates evolution of knowledgeable communities of practice, the unintended consequence of which is a reconfiguration of the locus of regulatory control, within the internal and external governance hierarchy. Fourthly, attention is directed to broader theoretical implications of how local authorities respond to the impact of New Public Management doctrines on public sector modernization agendas including Best Value, in Britain, and Australia.

Finally, the chapter concludes by considering implications of devolution of self-regulatory control, as indicated in our data, to increasingly lower levels of the governance hierarchy as a corollary of New Public Management doctrines. As the Alchemic Life-Cycle represents a Grounded Theory of practitioner response to a centrally formulated project of change, the imperative for closer scrutiny of the popular thesis of global convergence is suggested. Based on data grounded in the experience of those both responsible for, and directly implicated by, legislative change to Best Value, the implications of this research offer grounds for a critical appraisal of assumptions concerning the inevitability of emergence of a particular style of public management, for example: ‘Though the terms new public management, managerialism, entrepreneurial government - may vary, they point to the same phenomenon. This is the replacement of traditional bureaucracy by a new model based on markets. Improving public management, reducing budgets, privatization of public enterprise seem universal (Hughes, 1998: 4).

The Purpose of the Literature Comparison

Glaser (1998, 2001) argues that with Orthodox Grounded Theory, the literature can contribute little until the basic social process is generated, and for this reason recommends ‘when the grounded theory is nearly completed during sorting and writing up, then the literature search in the substantive area can be accomplished and woven into the theory as more data for constant comparison’ (1998: 67). Such an approach, however, does not preclude actively reading in related substantive areas throughout the research to support ‘theoretical sensitivity, learning of theoretical codes and knowledge of the usage of social theory’ (Glaser, 1998: 68). Establishing areas of theoretical relevance once the core category and basic social process are evident, contrasts
significantly with organization of a dissertation focused on hypothesis testing when the
literature review invariably is located at the outset of the dissertation to establish context
and limitations of the research proposal.

As Orthodox Grounded Theory is explicitly concerned with theory development, it is
essential to avoid pre-empting emergence of a parsimonious substantive theory through
premature commitment to theories or constructs represented in the literature, as these
may contribute to forcing data into preconceived categories (Glaser 1992). So, in
contrast to verificational investigation, in a project such as this the literature must ‘earn’
its way ‘post hoc’ into the research through establishing connections between the core
category and basic social process with relevant fields. This proved both to be a
stimulating and serendipitous process, contributing to my ongoing accumulation of
memos throughout the research, thereby furthering the theoretical sampling process. An
illuminating moment for example in this project while reworking the last section of my
results occurred when my supervisor alerted me to the work of Crossan, Lane and White
(1999). Their discussion and critique of frameworks theorizing organizational learning,
immediately registered as being of ‘blinding’ significance for the emergent Alchemic
Life-Cycle, and empirical findings generated by my research.

The findings closely mirrored the organizational learning framework proposed by
Crossan et al, in all but terminology. Happily, there is no cause to glumly receive such
convergence as pre-emption of one’s own research outcomes; because in such
circumstances, Glaser advises the issue is one of ‘integrative placement of ideas
generated by other researchers, as one weaves one’s own work into the pertinent
substantive and theoretical literature; achievable by supplementing, extending and
transcending other’s work’ (Glaser, 1978:139). Thus the organizational learning
framework of Crossan et al, and other similarly valuable ‘discoveries’ are integrated
into the discussion providing the backbone of this chapter.

For these reasons, the literature comparison is not intended to verify findings of the
study, but functions as a means for situating the research findings of this project relative
to the extant literature, to demonstrate how the emergent theory of the Alchemic Life-
Cycle adds to our understanding of administration of public sector change, and
organizational learning on which this depends. As an indicator of practitioner response
to the introduction of Best Value in Victoria, the research generates a heuristic for conceptualizing adaptation to new projects of rule within complex governance hierarchies. Additionally, the empirical evidence addresses a gap in the as yet nascent literature evaluating New Public Management modernization agendas like Best Value, and their impact on local authorities.

A plethora of studies evaluating implementation of Best Value in British local authorities, depend overwhelmingly on the research gaze being directed to verificational methodologies for appraising effectiveness of the reform agenda, meaning a heavy reliance prevails on accessing readily measurable achievements of the new program. Whether the outcomes of performance comparisons based on performance indicators, auditing and inspection, accurately reflects achievement of continuous improvement is a matter of considerable concern (see Enticott, 2004; Higgins, James and Roper, 2005; Vincent-Jones, 1999, 2002). Relatively few researchers to date have focused on the implications of transitioning to Best Value for operational staff; or accounted for how this impacts on the role of organizational development practitioners in generating organizational learning and change.

**Practicing Alchemy as a Gerund Construct**

The emergent theory of the Alchemic Life-Cycle demonstrates how practitioners charged with responsibility for implementation, firstly make sense of the task; secondly resolve the complexities of transforming relatively nebulous ideas embodied in the legislative framework of Best Value into operational practice; and, thirdly in doing so, add to the knowledge base of public sector administration. The Alchemic Cycle illustrates, as well as theorizing, the tensions experienced by organizational practitioners as they explore and learn new ways of managing service delivery while concurrently exploiting what is already ‘learned’, sometimes through reappropriating existing understandings and at other times reconfiguring them. Through the various forms of alchemic practice that constitute sub-categories of the core category Practicing Alchemy, the Best Value principles gradually assume ‘operational’ meaning, as represented in the everyday practices of service units in the local authorities.
The core category Practicing Alchemy is mooted as a valuable gerund construct because it encapsulates the highly agentic and idiosyncratic nature of program implementation from the practitioner standpoint. As ODPs charged with managing implementation and reviewing in a range of Victorian local authorities struggle to interpret Best Value; they endeavour to attain outcomes commensurate with the prescriptive framework of the legislation. Different forms of alchemic practice predominate, as problems characteristic of particular stages of implementation become evident. As the basic social process unfolds in the four stages of the Alchemic Cycle as represented by the phases, properties and sub-properties of each stage, an heuristic representation and cyclic-contingency model of learning and public sector change emerges.

Five areas of substantive concern earn their way into this literature comparison because of their theoretical significance for the emergent grounded theory of the Alchemic Life-Cycle. These are dealt with respectively under the following sub-headings:

1. Knowledge Management
2. Organizational Learning Frameworks
3. Communities of Practice and Actor Network Theory: the Foucaultian ‘Turn’
4. Government Failure
5. The Convergence Thesis

In addition, the research findings leading to the emergence of the grounded theory of the Alchemic Life-Cycle have several methodological implications for the research agenda in the field of management practice in the public sector. These are addressed in the next and final chapter, Implications and Conclusion.

1. Knowledge Management

In the earliest stages of implementation, ODPs assume responsibility for, and ownership of, the Best Value principles actively integrating them into their personal cognitive maps as a new set of ideas about service delivery with potential to produce optimal outcomes for both customers and the community. Implementation in this sense can be considered as a form of knowledge management directed to strategic renewal, which must be subsequently directed to negotiating the transition from the prior regimen of Compulsory Competitive Tendering to the new program of Best Value.
Birkinshaw and Sheehan (2002) suggest that knowledge, rather than being static, is malleable as it diffuses through a population. Based on an extensive five year empirical investigation of transmission of key ideas in a variety of commercial settings, knowledge management is conceptualized as a life-cycle. With close parallels to the Alchemic Cycle, the transformative nature of cognitive activities during the earlier stages of Filtering and Smoothing and mediation of ideas in the early stages of the knowledge life-cycle, form the basis for strategic change within the local authorities. The significant variation in situated readings and pragmatic response orientations evident in our data at the outcome of the first two stages of the Alchemic Cycle suggests and supports the finding that ‘while all knowledge moves through the knowledge life cycle, the speed of progress varies enormously from one case to the next’ (Birkinshaw et al., 2002:76).

Birkinshaw et al. model of the knowledge life-cycle provides a useful conceptual account of significant variation evident in their data on the trajectory of new knowledge in the companies examined. In the same manner, our data suggests Best Value is mediated unevenly and idiosyncratically in Victorian local government authorities. This is particularly the case in the earlier stages of the Alchemic Cycle. Investigation of whether this is accounted for by the ‘stubbornly tacit nature of some knowledge, which resists codification’ (2002: 76) is indicated, to identify the relative influence of factors causing the cycle to slow down thereby impacting on the course of organizational learning. Codification represents the period when tacit knowledge, initially shared by few individuals involved with the developing ideas, is made explicit and available to others who make up a trusted community. Codification in this sense is certainly evident during the second stage of the Alchemic Cycle, Smoothing; and represented as a critical aspect of the institutionalization of Consolidated Knowledge Networks that emerges in Stage Four, Legislative Grooming.

The Birkinshaw et al. model of the knowledge life-cycle is similar to the Alchemic Cycle, entailing four stages. Starting with the proposition that as new knowledge is born, it remains nebulous (intuitive), gradually taking shape as it is tested and applied in various settings. Throughout testing and maturation, codification and diffusion to a growing audience occurs as ideas are eventually widely understood and recognized as common practice (Birkinshaw et al., 2002). Represented as a simple S-curve, the
knowledge life-cycle includes firstly, Creation, a period when no-one fully understands the idea or emerging body of knowledge. Secondly, Mobilization, when knowledge continues to be refined, and ideas are developed so companies can extract value from it. The third stage, Diffusion, represents a period of knowledge dissemination (in the commercial world it is inevitable leakage occurs); and, the final stage Commoditization conceptualizes the management of already well diffused knowledge. Although the knowledge-life cycle has emerged from empirical investigation within commercial settings, it exhibits many strategic and theoretical conjunctions with the Alchemic Life-Cycle.

Theoretically, minor temporal variations exist between the two life-cycle models. This compromises the heuristic value of neither model, although it may suggest a closer examination is needed of whether knowledge management processes for services as opposed to those for developing commercial products are divergent; and of the trajectories of knowledge management in public and commercial domains. For example, while mediation of ideas during Filtering directly parallels the first stage of the Birkinshaw et al. knowledge life-cycle (Creation); Smoothing, stage two of the alchemic cycle, has more in common conceptually with stage three, Diffusion, of the knowledge life-cycle. The second stage of Mobilization in the knowledge life cycle, has more shared features with stage three, Legislative Praxis in the alchemic cycle. This is because, until implementation of the review process, Best Value remains essentially the subject of cognitive mediation and symbolic exchange (an idea) rather than an outcome of application, testing or practice, as would be the case with a product (but not necessarily a service) in a commercial context.

While, the heuristic value of the knowledge life-cycle has obvious application for product management, in addition it provides insights into knowledge management in the more abstract domain of service provision, for example concerning improvement of the public good. Further investigation may reveal if minor temporal/processual variations between the two cyclical models compromise the otherwise close theoretical association between them. Alternatively, it may suggest a need to investigate whether different temporal orderings are appropriate for conceptualizing knowledge transmission with respect to products and services, and for examining the implications of this for knowledge management in different organizational contexts.
In addition to such theoretical synergies, several strategic insights can be drawn from comparing the knowledge life cycle as identified by Birkinshaw et al. (2002) with our own emergent theory. As well as helping companies identify and navigate various stages of managing the introduction of new knowledge, the knowledge life-cycle generates cogent insights for knowledge management strategy generally. From the empirical evidence on which the study draws it is determined that simultaneous activity in all four stages of the cycle is dysfunctional for an organization. This may also be the case with introducing new projects of rule into the public sector. Indeed, our model of the Alchemic Life-Cycle suggests while iteration may occur between stages in terms of the alchemic practices characterizing and predominating in each stage; more generally the stages represent a temporal progression and a developmental trajectory for implementation. Our data similarly indicates that factors such as management churn, high personnel turnover or electoral change, easily interrupt and impair the ‘flow’ of implementation through the ‘trajectory’ of the Alchemic-Cycle.

Finally, the strategic dangers of what Birkinshaw et al. refer to as ‘reengineering’ are also indicated in our data. Their evidence suggests that as ideas become more popular, widely picked up, and dispersed, they can be misapplied; meaning knowledge is easily corrupted, sometimes to the extent of losing sight of the original idea (2002: 82). There are lessons here for implementation of public sector reform initiatives. The Alchemic Cycle as a similar heuristic to the knowledge life-cycle has potential for identifying a more nuanced approach to introducing new projects of rule in the public sector. Identification of a staged trajectory of new ideas as they transition into operational practice would for example enable the ‘anomic’ uncertainty typical during Filtering, and resurfacing in the final stage of Grooming, as reflected in the phase Soothsaying, to be apprehended positively, as operational practice is repeatedly juxtaposed and appraised with respect to the original discourse of Best Value. This would also suggest evaluation may be more realistically managed given a contextual appreciation of the malleable nature of ideas like Best Value; as well as alerting us that research must be designed to account for the role of intuition and interpretation in shaping and mediating new ideas.

Despite obvious synergies between the two life cycle models, what is left implicit in the knowledge life cycle, but more fully articulated in the Alchemic Life-Cycle, is an account of the interface between learning at the individual level; as well as aggregate
learning occurring either at the group or organizational level and the inter-connected nature of this. This interface is addressed more closely in the next section where conjunctions between a current organizational learning framework and the Grounded Theory of the Alchemic Life-Cycle, and core category, Practicing Alchemy are presented.

2. Organizational Learning Frameworks

There is a burgeoning literature, both critical and pragmatic, on the role of learning in organizational effectiveness in both the public and private sector (Easterby-Smith, 1999). For example, Hartley and Allison lament the initiation of policies promoting benchmarking so authorities in Britain can become more innovative; or incentives to establish learning organizations based on best practice given that the ‘processes underpinning such learning have not been clearly articulated’ (2002:103). On a more practical note Sotirakou and Zeppou (2004) address this problem by advancing specific strategies to continually enhance collective capacity of service organizations to reflect, think and learn; thereby developing more creative and strategic ways of thinking. Despite such theoretical and practical incursions, efforts to better theorize the linkages between learning and organizational effectiveness remain wanting: ‘Research on organizational learning has been plagued by widely varying theoretical and operational definitions and a lack of empirical study’ (Lant, 2000: 662; see also Arthur and Aiman-Smith, 2002; Huber, 1996; Crossan, 2003).

In a quest to demystify organizational learning Freidman et al. suggest a research strategy is necessary ‘that clearly distinguishes between individual and organizational-level learning (or learning-in organizations and learning-by organizations), and which relates the two forms of learning to one another’ (2005:26). The Alchemic Life-Cycle provides valuable empirical insights on the nature of such linkages between levels, with our findings further supported by the articulation of an organizational learning framework of Crossan, Lane and White (1999) formulated to address the lack of consensus about how organizational learning is understood by using strategic renewal as a primary focus for examining the relationship between learning and organizational change.
Crossan et al. (1999) believe although learning remains a central consideration in examining organizational adaptation and flexibility in responding to conditions of change and uncertainty, divergent perspectives on organizational learning divert attention from the central importance of strategic renewal. For example approaches concerned with product innovation (e.g. Nonaka and Tekeuchi, 1995); information-processing (e.g. Huber, 1991); or cognitive limitations of managers (e.g. March and Olsen, 1975); divert attention from the more holistic focus of strategic renewal, thereby failing to address the importance of ‘integrating’ new ideas that contrast with old ways of thinking about, or ‘doing’ things. As renewed forms of service delivery are the objective of Best Value, strategic renewal may be easily subsumed by a service unit focus on continuous improvement. Despite this, a key aspect of our research findings is evidence of the regenerative nature of the Alchemic Cycle and core category Practicing Alchemy.

By using strategic renewal as an alternative focus, Crossan et al. generate useful insights on how organizations explore and learn new ways, while concurrently exploiting what they have already learned, with the conjunctions between the 4I Model proposed, and the Alchemic Life-Cycle manifest. Firstly, both models account for the tension between exploration and exploitation at the heart of strategic renewal, and empirically evident in our data at every stage of the Alchemic-Cycle. Represented as the continuous struggle of organizational practitioners juggling existing understandings and ways of doing things, with the imperative to generate a Best Value orientation in their authority, this tension was expressed aptly by one participant as ‘not wanting to throw the baby out with the bath water if we already have good procurement policies in place’ (Int. 20).

Secondly, based on the four related sub-processes in Crossan’s model - intuiting, interpreting, integrating and institutionalizing; the framework, or 4I’s of Organizational Learning can accommodate the complexities of learning when organizations operate in an open system, rather than having a solely internal focus, as is the case in the Victorian local authorities studied in this research. Likewise as the Best Value practitioners’ main challenge is balancing complex and interwoven accountabilities to external stakeholders, including local constituents and the Best Value Commission overseeing the reporting process, the Alchemic-Cycle enables conceptualization of the intricate
Thirdly, Crossan’s model addresses tensions and complexities of generating and maintaining ‘feed-forward’ intuitive insights (these are conceptualized in the Alchemic Life-Cycle, by the serendipitous nature of learning and information exchange during Filtering and Smoothing). These tensions also play out as the imperative for interpreting Best Value, so as to integrate and institutionalize outcomes of such sense-making activity (by means of alchemic conjuring, procurement and regenerative practices during stages two, three and four of the alchemic cycle, Smoothing, Praxis and Grooming). This means feed-forward intuitive insights must be actively maintained; while practitioners concurrently work in a setting where prior (institutionalized learning) continues to positively impact on the performance of the enterprise (Crossan et al., 1999: 534).

The evidence generated in this research, both supplements and supports the 4I’s approach as a framework for organizational learning, with Crossan et al. articulating theoretically what the alchemic cycle demonstrates both empirically and for heuristic purposes. That is, that learning occurs over three levels, individual, group and organizationally; and that in conjunction, these three learning levels function to define a continuous action framework within which new ‘feed-forward’ learning takes place. Crossan suggests the sub-processes (the 4’I’s) form the glue binding the structure, and acting as a key facet of the framework (Crossan et al. 1999). Similarly, the four stages of the alchemic cycle are bound by different forms of alchemic practice (sub-categories of the core category Practicing Alchemy) that function as ‘glue’, interactively binding the individual, group and organizational levels. In conjunction these inform a similarly coherent framework for organizational learning and processes of strategic renewal.

Our data demonstrates empirically, that at a certain point, the entire Best Value project is encompassed as an Alchemic-Cycle, articulating as action ‘for itself’ (expressed in the various forms of alchemic practice), rather than just being a response to external coercive forces (the legislation).
Learning assumes the role of ‘an interfaced enterprise’, not just within business units in local authorities, but also regionally and State-wide, as evidenced in the transition from Stage Three, Praxis, to the Consolidating Knowledge Networks of Stage Four. Legislative Grooming is immediately recognizable as comparable with the fourth ‘I’, institutionalization, for Crossan et. al. (1999), however, a complex web of intertwining feed-forward (exploration) and feed-back (exploitation) is also identifiable at all other stages of the Alchemic Life-Cycle as ODPs balance the imperative of strategic renewal with the challenges of everyday operational business. Functioning to gradually instigate a web of linkages over three levels including the individual, the group and the organization, a sophisticated inter-organizational means of knowledge transference evolves, becoming operant across the whole governance hierarchy. With this, learning ‘transitions’, and is embedded as practice rather than simply being an aspect of a discursive and ideational domain of Best Value. This discourse evolves and is gradually extended beyond individual ODPs to the group, and ultimately emerges as organizational learning.

This conceptualization of organizational learning as a dynamic process accommodates the foundational role of experiential learning among organizational practitioners. As the ODPs transition from a position as novice learners in the early stages of the Alchemic-Cycle, intuitively interpreting Best Value as it is integrated in the authority; they transition to having expert / ‘practitioner’ status (and are labelled as such by central authorities) in the last stage of the cycle, Grooming. With renewal of Best Value imminent, as the bearers of what Nonaka and Takeuchi (1995) refer to as ‘tacit’ knowledge, organizational practitioners become - as if by default - situated at the interstices of a new Knowledge/Power fractal which cannot sensibly be ignored in any formulation of organizational learning.

The convergence, and shared focus on strategic renewal of the Alchemic Life-Cycle and Crossan’s (et al., 1999) 4I Model of Intuition, Interpreting, Integrating and Institutionalizing, is no less surprising because both models are able to navigate the challenge of establishing theoretical linkages between the levels of individual, group and organizational learning; albeit in an emergent and grounded fashion with the Alchemic-Cycle. Although, theoretically accommodating tensions associated with organizational learning and strategic renewal, mediation of different forms of alchemic
practice during each stage of the Alchemic Life Cycle suggest this conjunction between knowledge and power may warrant more attention within a situated learning context, than is suggested by the organizational learning framework proposed by Crossan et al.

During stage four in the alchemic cycle, our data suggests that organizational practitioners actually mobilize, not just to share information and knowledge, but also to advocate on the basis of their experiential learning. By using this learning as leverage to preserve perceived gains in local autonomy, and to protect or nurture a sense of ‘Place’ in their constituencies, strategic renewal clearly takes shape as a political agenda with a locus at the lowest level of the governance hierarchy, and with aspirations determined by the degree of commitment shared by ODPs, particularly those engaged in the Consolidated Knowledge Networks of Stage Four, to a community development perspective.

Conceptualized as aspects of the cognitive maps, in the Situated Readings and Pragmatic Response Orientations formed in early stages of the Alchemic-Cycle, the varying levels of commitment among ODPs to local empowerment and the generalization of local discretion, or ‘the duties domain’ of Best Value, remained intuitive and not easily accessible or demonstrable in contrast with ‘managerialist’ (performance based) orientations towards the review process and implementing continuous improvement. The re-orientation of management focus to the relationship between Best Value initiatives and broader strategic renewal objectives evident in Stage Four, Legislative Grooming, suggests the modernization agenda of Best Value has become increasingly significant at the local level as completion of the first round of reviews is attained.

Resistance to centrally imposed managerial regulatory perspectives is most evident in the reflexive and generative nature of alchemic practice typical of Stage Four; however, a close examination indicates consistent concern among ODPs with issues of organizational autonomy and the generalization of local discretion as endemic to all stages of the alchemic cycle. Thus, alchemic practice, is a useful gerund construct for conceptualizing organizational learning, being also consistent with the interactive and less apolitical perspective presented by Argyris and Schon (1996) who theorize organizational learning as occurring when members, either individually or collectively,
reflect on their actions posing increasingly fundamental questions about organizational norms, politics, structures, goals and procedures (see also Sotirakou and Zeppou, 2004:74).

In line with this rather less apolitical approach, Fox (2000) builds on the literature of Communities of Practice Theory (COPT) with recognition of the primacy of this construct for the consideration of organizational learning. Despite commitment to the basic tenets of this approach, Fox suggests COPT fails to provide a proper consideration of unequal relations of power that are necessarily entailed in organizational learning, suggesting this is largely left as an intuitive notion (for example in Wenger and Snyder, 2000). It is suggested here, this may also be the case with Crossan’s organizational learning framework as outlined above. Indeed, the data gathered for this research would support the call for a more systematic consideration of the power/knowledge binary in the analysis of organizational learning. Fox, for instance, usefully fuses COPT with a Foucaultian-Actor Network Theory approach (based on Brown and Duguid, 1991; and Law, 1991) in a manner consistent with the emergent grounded theory of the Alchemic Life-Cycle. This synthesis functions to theoretically enrich our findings in Victorian local authorities, and in turn the data from which the Alchemic Cycle is drawn, provides reciprocal empirical support to this ‘marriage’ of theoretical perspectives.

Our discussion takes a Foucaultian turn with the fundamental emphasis of the Alchemic Life-Cycle being on high levels of actor mobilization, and the agency of ODPs that underwrites making Best Value operational, as encapsulated by the gerund construct of Practicing Alchemy. The bid to resolve issues of unequal power relations in local authorities, while furthering learning at the organizational level and advocating for treatment of Best Value as central to strategic renewal initiatives – rather than as continuous improvement perceived in terms of service delivery as a unit based exercise – is indicative of a re-alignment of the Knowledge / Power trajectory.

3. Communities of Practice and Actor Networks: the Foucaultian ‘turn’.

Data associated with the later stages of the Alchemic-Cycle, Smoothing and Praxis, indicates highly agentic engagement as the cognitive and intuitive mediations of previous stages become encoded as operational practice. Our evidence suggests
coupling prescriptions about accountability with the anticipation of a local level regulatory perspective, places considerable demands on the organizational capacity of many Victorian local authorities. Although, Best Value legislation in Victoria (as in Britain) claims to return strategic control over service delivery to local authorities, the capabilities of most shires and councils are greatly extended by having to develop and implement complex performance measurement frameworks, as well as adapting to the onerous reporting practices required to address evaluative requirements of the legislation.

Successful diffusion of Best Value principles depends on how effectively they are appropriated by individuals, business units and operational managers, suggesting some conceptual compatibility between the Alchemic Life-Cycle and the constructs of situated learning in workplace contexts. With a Communities of Practice perspective (COP), learning is interpreted as the processes tied to ongoing activities and practices as done by communities of people, through social interaction; rather than primarily as cognitive activity of isolated individuals. Regardless of the fact that the situated learning is theorised variously, there is common commitment to the principle of a ‘community of practice’ whereby individuals learn by participation in shared activity (Fox, 2000: 853).

Theoretically COPs function in this manner to embed learning in the organization. In this way an organization can be conceived as ‘a community of communities’, rather than in the canonical manner one might use to conceptualize for example ‘a corporation’ or an NGO. Adoption of such a theoretical standpoint readily enables the research gaze to be directed to specific practice rather than being focused on more amorphous concepts such as corporate culture (Fox, 2000: 856). The gerund construct Practicing Alchemy functions similarly; explaining the ‘embeddedness’ of the implementation of Best Value, including the complex interwoven nature of the learning that occurs individually, at the unit level and organizationally; and the basic social process of the Alchemic Life-Cycle.

Fox points out the implication of this, whereas Nonaka and Takeuchi (1995) point to the role of ‘tacit knowledge’ as held by individuals in organizational learning; COPT provides potential for understanding how tacit knowledge is actually generated within discrete communities of practice, as does the heuristic of the Alchemic Life-Cycle. Such
an approach furnishes insight, for instance, into our data accounting for the wide variation evident in how Best Value is interpreted, and made operational, by Victorian authorities. Mediated within COPs, at some point Best Value becomes a viable discourse, effectively subjugating other understandings of service delivery, as illustrated for example in the ongoing struggle to shift ground staff from an output towards outcome orientations with service delivery, as conceptualized in the processes of Stage Two, Legislative Smoothing.

Fox argues although communities of practice theory (COPT) is valuable for accommodating both social and contextual dimensions of cognition and learning, it has specific weaknesses in addressing power as an aspect of the learning process (2000: 854). By shifting COPT closer to the Foucaultian perspective of Actor Network Theory (ANT), he addresses this shortcoming - thereby countering the neglect of the knowledge/power relationships evident in the cyclical knowledge management model advanced by Birkinshaw et al. (2002); and in Crossan’s (1999) 4I’s Organizational Learning Framework, as discussed above.

Our data indicates that implementation of Best Value, in Victoria, is highly dependent on enforced self-regulation, especially given the flexible terms in which the legislation is framed, and the radical shift away from the ethos of the prior regulatory regime of CCT. As indicated, the first and second stages of the Alchemic-Cycle, evidence major cognitive re-orientations in participants before they proceed to the Praxis stage of the cycle, adapting to a regime of self-regulation (compare with Ball, Broadbent and Moore, 2002). This cognitive shift is modeled for other constituents in the local authority, and to a lesser extent for the community, particularly during the Smoothing stage. The flexible nature of Best Value legislation combined with a lack of procedural directive means self-regulatory control must be a part of operational practice. This shift is most apparent in Stage Four, Grooming, with the shift in locus of control more readily explained by reference to Actor Network Theory, than to COPT, given the increasing reliance of Central authorities on tacit knowledge held by Best Value practitioners.

Actor Network Theory (ANT) shares Foucault’s ‘concern with concrete practices’ (Law, 1991:12), enabling power to be conceived as an aspect of practice, rather than
treat ing power as an aspect of identity formation as Wenger (1998) does in later more
detailed account of COPs. Law makes a definitive distinction between ‘power to’ and
‘power over’, successfully emphasizing the productive, generative nature of power as
evidenced by the Alchemic Life-Cycle and integral with the core construct of Practicing
Alchemy. Alchemic practices as realized throughout the Alchemic-Cycle suggest power
is not a zero-sum factor, or uni-directional as might be understood in traditional
discourses of government hierarchy.

In accordance with Foucault’s understanding, in the context of the alchemic cycle,
power is better understood as both relational and productive, rather than as a possession
of some to wield over others in order to dominate and constrain them (Foucault, 1984).
The alchemic cycle demonstrates that power is manifested more in a capillary form
‘from within situated activity as it were from bottom upwards and outwards’ (Fox,
2000: 858).

Fox, in building on Lave’s (1993), presents an emergent view of context in response to
the theoretical problems and failure of early formulations of COPT to address the fact
that practice includes a temporal element; for example, action or activity within a
context of relatively wider and stable social structures (clearly the case with Best Value
in Victorian local authorities). Fox rejects outright Lave’s reliance on an even handed
distinction between ‘context as a pre-given’ (before practice commences) when wider
power relations in society or history shape local context; and, ‘context as emergent’
(through practice), in which case local power relations determine context.

Treating this divergence primarily as a matter of differing theoretical emphasis rather
than as dichotomous, Fox argues Lave’s account enables context to be ‘treated as both
pre-given and emergent simultaneously’ (2000:858). In contrast, Foucaultian
understandings of power/knowledge relationships used in conjunction with Actor
Network Theory would privilege the emergent context version, refusing to assume as
given, both objective social-historical context and macro actors (for example
organizations). Put another way, this means ‘the formal well bounded entity or
canonical organization – does not exist by theoretical fiat, but only by nests of practices
reproduced and emergent within COPs’ (Fox, 2000: 858).
This Foucaultian reading of Actor Network Theory is commensurate with our findings, and complementary with the basic social process of the Alchemic Life-Cycle. Implementation of Best Value as conceptualized by the Alchemic Life-Cycle cannot be solely explained by reference to fixed structural determinants such as the institutional arrangements representing the socio-historical context of implementation. Equally, it cannot be understood by singular reference to inexorable global forces for example, which interpret public administration as being on a convergence course, an issue dealt with presently.

It is submitted, rather, that the research outcomes and grounded theory of the Alchemic Life-Cycle are indicative of how legislative imperatives to implement Best Value ‘play out’ through shared activities within a situated learning domain. This occurs without necessarily precluding pre-given context (either historical or social), but it does not privilege it either. This means implementation of a new project of rule like Best Value may be better understood as effectively emergent ‘through’ practice - and in the context of this research - with the organizational development practitioners representing important interstitial ‘nodes’ both of knowledge management and knowledge transferral.

The reformulation of the relationship between COPT and ANT by Fox (2000), and his incorporation of the Foucaultian power/knowledge nexus, has important implications for the emergent grounded theory of the Alchemic Life-Cycle. Resonating strongly with the empirical findings of this project, learning, as ‘a situated project’, is conceptually compatible with the gerund construct, Practicing Alchemy. Articulating how Best Value emerges as a set of processes associated through practices constituting the Alchemic Life-Cycle, implementation is conceptualized as actively formulated within composite nests of practice. In line with Foucault, and Actor Network Theorists (such as Brown and Duguid, 1991) the proper focus for inquiry into organizational learning becomes - how any actor, even large abstract ones (like organizations, the State etc) - or ‘nests’ of practitioners like ODPs within the Consolidated Knowledge Networks of Stage Four - ‘come to be and function like an actor’ (Fox, 2000: 585).

Indeed, Fox suggests this is tantamount to Brown and Duguid’s position that a ‘canonical organization is a questionable unit of analysis’ (1991:49). The foregoing
discussion suggests our finding can be readily situated with respect to the ideas of Rose and Miller (1992) and their contention of government as a ‘congenitally failing operation’ (p.190). As a gerund construct Alchemic Practice corresponds neatly with their argument that: “we do not live in a governed world so much as a world traversed by the ‘will to govern’, fuelled by constant recognition of ‘failure’, the discrepancy between ambition and outcome, and the constant injunction to do better next time” (Rose and Miller, 1992:191).

In keeping with theirs, and other Foucaultian understandings of governmentality, (see for example Dean, 1999:30-33), The Alchemic Life-Cycle provides an heuristic that enables identification of multiple sources of ordering. It points, as Dean suggests to the ways in which government is ‘assembled’ from the interaction of a diversity of participants. This provides us with a useful link to the concluding part of this endeavour to situate the gerund construct of Practicing Alchemy with respect to the extant literature. Thus, in the next section of the chapter, the literature on Government Failure is related to our research findings followed by some final reflections on the Convergence Thesis.

It is firstly necessary to consider that Foucault understands power not as a force emanating from a group of institutions - or as mechanisms of domination ensuring subservience of one group by another - thus challenging constructs of overall unity of domination. Alternatively power is construed as a ‘multiplicity of force relations immanent in the sphere in which they operate and which constitute their own organization’ (Foucault, 1984:92). This ‘capillary’ understanding of power has significant value for explaining the emergence of Consolidated Knowledge Networks, in the fourth stage of the Alchemic-Cycle. Equally, it can account for the regenerative aspects of Soothsaying, as activity directed to reading and shaping the future course of Best Value legislation, and later phases of action when the practitioners ‘call the shots’, by leveraging their experiential learning and exploiting operational forms of Best Value, against potential (ideational) changes to Best Value.

Balancing exploitation of what already exists as the outcome of processes associated with Legislative Praxis in their authorities, and through mediating ‘Place’, the future face of local authorities is shaped by the social actors most directly concerned with the
activities of council business. Paradoxically, despite the high level of agency, local authorities continue to be treated and regarded by central regulatory authorities as canonical organizations, as evidenced in production of new guidelines for a ‘Whole of Organization’ guide to Best Value. Such documentation is intended to serve as a new injunction of, and learning framework for, Best Value in its next iteration as the Alchemic Life-Cycle becomes poised for renewal.

As a result of Fox’s (2000) reworking of COPT, we stop thinking simply about individuals working and learning with other individuals, and recast organizational learning, and knowledge management - as directed to strategic renewal - as an outcome of force relations at every point of the network. As Fox suggests, this constitutes an ‘agonistic’ struggle (2000: 860) - a near perfect metaphor for our observations, as conceptualized in the gerund construct, Practicing Alchemy. The Alchemic Life-Cycle empirically evidences the non-automatic nature of networked learning; or essentially that no network exists outside of the actions of its independent nodes or ‘actants’, in this instance the ODPs. Furthermore learning is serendipitous, and the outcome of highly localised struggle - many faceted and dependent on the self acting on itself, as well as others, and on the material world. In this respect organizational development practitioners, the focus of this research, are both primary nodes of the network; and key actants in determining learning trajectories both within and beyond local authorities.

The most important insight stemming from this integration of COPT, ANT and Foucaultian constructs of power lies in the theoretical potential for exposing the precariousness of the assumption that organizations are canonical entities. Whether, learning trajectories are formal or informal, it is flawed to conceal interstitial communities which are influential and central for organizing and accomplishing work, and learning; and in the case of this research the implementation of a new, hastily formulated project of rule. Our research outcomes indicate, ODPs undoubtedly constitute what Fox colourfully refers to as ‘promiscuous interstitial communities where translation (viz. Legislative Filtering), enrolment (viz. Legislative Smoothing) and mobilization (viz. Legislative Praxis) are going on: shaping the boundary of the formal organization incidentally, or as an afterthought’ (brackets are mine to indicate synergies between the alchemic cycle and this metaphor (Fox, 2000:864-5).
Indeed, it may be naïve to instigate a modernization project, like Best Value, without recognition of the emergent quality and ubiquity of such ‘promiscuous interstitial communities’, a reflection that enables us to identify how our research findings link adroitly with a consideration of a small, but ‘piquant’ literature on Government failure. Colebatch (2002) for example suggests, that ‘instead of seeing government as machinery for solving problems, it could be more accurately described as machinery for finding problems – that is, for framing the world as a set of problems to which present (or prospective) patterns of collective action can be seen as an answer’ (p 431-2).

4. The Government Failure Thesis

The association drawn between Foucault’s Power/Knowledge analysis and Actor Network Theory suggests an alternative theoretical perspective pointing to deconstruction of conceptualizations of the apparatus of the state as a formal canonical entity, or as representational of pre-given context before practice commences. Rather than accepting the state as the concomitant of wider power relations in society (or history) that shapes local context; or, assuming context either as pre-given or even simultaneously emergent, this is achieved by focusing on the juncture between learning with strategic renewal, or organizational change (see Fox, 2000). Foucault’s capillary understanding of power makes it possible to identify how social actors engage in management without necessarily being a manager, as Townley says: ‘management operates through people, rather than being a disembodied practice’ (1993: 223). Accordingly, management is a ‘relational’ activity, not a self-contained entity intrinsic to a person or action - but deriving its identity from its relation to the ‘other’. Viewed in this way, the constitutive and relational dimensions of organizational learning function to generate a research strategy that ‘decentres’ management.

Investigating public administration in this manner depends on an ascending mode of analysis to illustrate ‘how’ activities initially become articulated as ‘managerial’. Over time this articulation acquires institutional consequences, and actively creates - or modifies - an existing managerial structure. Such an approach is consistent with the analytic-inductive procedures of grounded theory used to generate and analyse the data for this research, and the emergence of a parsimonious substantive theory of alchemic practice. It also explains how the flexibility of the legislative context itself can be
responsible for such an ascendant process by emphasizing that management, in both its role and structure, are not ‘givens’, but evolve out of structured practices constructed temporally through processes as evidenced in the stages and phases conceptualized from our data. The Alchemic Life-Cycle, as a cyclic-contingency model, demonstrates the agentic manner in which institutional arrangements are modified, and reinforced (see Townley, 1993: 236), in the course of implementation of a new project of rule. Deconstruction of management, and scrutiny at the most basic level of processes within organizations, enables organizational transformation to be conceptualized with greater clarity, also linking our research findings to understandings that treat public administration as something occurring in a de-centered polity.

Prozorov, for example, suggests the importance of distinguishing between ‘governメントality’ as a Foucault-inspired critical perspective, and ‘governance’ as a wider discourse that along with policy practices ‘is the object of its investigations’ (2004: 268). In doing so he adopts a usage where governance represents a specific modality of government, rather than understanding governance as a generic term as is typically deployed to describe succession from a narrow, or purely statist concept of government. Similarly, Foucault divorced the notion of government from the concept of the State, with his notion ‘гovernmentation’ representing a generalization, and decentering, of government as an activity pervading an entire social space; and, governmental practices representing the opposite of a repressive set of power relations. Prozorov (2004) cites Dean’s definition (1999:11) of governmental activity: Government is any more or less calculated and rational activity, undertaken by a multiplicity of authorities and agencies, employing a variety of techniques and forms of knowledge that seeks to shape conduct by working through our desires, aspirations, interests and beliefs for definite and shifting ends with a diverse set of relatively unpredictable consequences, effects and outcomes. Such a definition has strong synergies with the gerund construct Practicing Alchemy, particularly when we recall the metaphorical association with the exploratory objectives and serendipitous nature of the practices of the ‘pre-chemists’!

This Foucaultian ‘turn’, and redefinition of government, is important because apart from the decentering of activities associated with governance that it instigates, it is accommodative of the Alchemic Life-Cycle at a number of levels. First of all it
accounts for the ever present reality of unintended consequences, demonstrated conceptually by the Alchemic Life-Cycle, as implementation of Best Value progresses within a ‘de-centred polity’ framework. It explains why resolution of problems at one stage of the cycle, as far as ODPs are concerned, gives way to - or even creates - new and different problems. Hence the heuristic value of a cyclic-contingency model, because even with completion of Stage Four, new problems of intuition, interpretation, integration and institutionalization are logically ‘a given’ with the introduction of new whole of organization guidelines to Best Value by the Best Value Commission, signalling the objectives of a new (more knowledgeable?) cycle of implementation.

According to Dumm (1996), if there are any reflections on progress or political emancipation in Foucault these can be recognized in the way he extols a ‘new political theory of freedom’ whereby political transformation is achieved by concrete practices of freedom beginning with the individual, rather than from changes to material conditions, or changing the system. The centrality of such a formulation in identity politics, for example feminist authors (see McNay, 1994); and, in analysis of race relations (for example, Malik 1996), draws attention to the relevance of Foucault’s work for political theory, along with the ‘distinct and explicit approach he set out to politics and government in discussions of governmental’ later in his career (Marinetto, 2003:622). As a theoretical orientation it sits comfortably with our findings as conceptualized by the property ‘Reconstituting Place’, the outcome of Stage Four, Legislative Grooming.

Foucault’s construct of governmentality provides the means for critiques of treatments of the State as a ‘central provenance’, and source of power in society, with its exercise regarded as essentially prohibitive and repressive’ (see Marinetto, 2003:623). Contrary to sovereignty based conceptions of the State fundamental to Westminster style governance and liberal political philosophy, and equally in contest with Marxist understandings of the State as the embodiment of ruling class power, Foucault argues in studying power in the modern State, that the State should be marginalized because modern government deploys a range of practices [that] neither originate in the State, nor are necessarily used intentionally (see Gordon, 1991:5). The gerund construct Practicing Alchemy is comfortable in such company, as it metaphorically capitulates to the implicit ‘blindness’ of activities associated with interpreting and operationalizing Best Value as a set of principles with literally no empirical referents; just as early alchemists.
strove ‘blindly’ toward creating gold from base metals, constructing the foundations for pharmaceutical chemistry as an unintended consequence of this endeavour.

If these interpretations of governmentality are acceptable, power in public administration should be treated as an effect both of social and self-imposed forms of self-regulation. This is affirmed by the adaptation to self-enforced regulation evident in our data, represented as ‘re-siting regulatory control’ during Stage One of the Alchemic-Cycle, Filtering. The will of practitioners to engage, at this and later stages of the Alchemic Life-Cycle, in acts entailing enforced self-regulation, suggests that heuristically the Alchemic-Cycle presents a viable account of the de-centering of State political institutions that may emerge around centrally instigated projects of rule like Best Value. Practicing Alchemy as a gerund construct in this way is commensurate with the implicit anti-statism of Foucault’s notion of Governmentality, with its diffuse and unintentional construct of political power.

A number of theorists (Malpas and Wickham, 1995; Miller and Rose, 1990; Higgins, 2004) argue for the need to ‘subvert’ the manner in which we conceptualize governance, in ways that similarly accommodate this Foucaultian deconstruction of the State. They claim instead of seeing governance as ‘complete’, albeit occasionally flawed by minor (and potentially transitory) shortfalls, we should see it as necessarily incomplete, and consequentially as always failing.

While this is a confronting viewpoint, Higgins points out that ‘it does not mean either that governing fails in some absolute sense, or that it is void of order or durability’ (2004: 459). The point is simply, that ‘projects’ of regulation need to be understood as the result of conflicting attempts to make the activity of government thinkable and manageable (see also Rose, 1999). The gerund construct Practicing Alchemy, and construct of the Alchemic Life-Cycle, function to demonstrate how sense making activities represented in the different forms of alchemic practice are used to resolve the continual challenge of governance, understood both in the generic and the Foucaultian sense.

For these reasons, it is suggested the emerging Grounded Theory, of the Alchemic Life-Cycle, and research outcomes of the current project lend support to Higgins’ claim for
taking government failure as a useful starting point ‘to argue for an alternative way of conceptualizing regulation’ (Higgins, 2004: 458). From an absolute standpoint, the task of the Best Value practitioners is quite literally as unattainable as the aspirations of early alchemists were to create gold from base metals. Yet, as with the alchemists, this factor seems neither to erode motivation of Best Value practitioners to achieve Best Value objectives, nor to moderate the regenerative nature or ‘will’ to link Best Value not just to continuous improvement within service units but to focus on strategic organizational renewal, while leveraging to maintain local autonomy and further build a sense of ‘Place’ in the constituency.

More generally, the gerund construct Practicing Alchemy enables both local government, and the governance hierarchy, to be construed in a non-canonical manner. Providing insights into the inherent tensions and contradictions of introducing and implementing Best Value as a program of enforced self-regulation, Practicing Alchemy explains both how and why practitioners explore and identify where new learning is required, while prudently balancing this with exploitation of already existing knowledge. As a conceptual basis supported by a Foucaultian influenced literature on governmentality, alchemic practice as a construct points to a need for rethinking how we conceptualize evidence based policy making. For example, Miller and Rose, recognize that despite governmentality being eternally optimistic, government itself is ‘a congenitally failing operation. The world of operations is heterogeneous and rivalrous, and the solutions for one program tend to be the problems for another’ (1990:10).

The Alchemic Life-Cycle encapsulates this dynamic of congenital failure, by conceptualizing how organizational practitioners continually act as purposeful agents leveraging their experiential learning to further an identity politics of community sustainability and local autonomy - and to generalize local discretion - both within the authority, and in the community. As a cyclical model, the Alchemic-Cycle theorizes the temporal, persistent nature of practitioners responses to government projects like Best Value which remain provisional by definition particularly when linked to objectives like ‘continuous improvement’. By underlining the need to develop different appreciations of the will to govern, Miller and Rose (1990) argue government should be understood less in terms of the degree of success - for example of a program like Best Value - and
more in terms of the difficulties entailed in actually operationalizing that ‘will’ to govern, in order to achieve such a program’s objectives.

With the greatest immediate challenge for the development practitioners during the first cycle of implementation, being production of credible review procedures and the dovetailing of program requirements with organizational capacity, Practicing Alchemy is an apposite metaphor for resolving the immensity - and uncertainties - of the implementation task. As a metaphor, it reflects the creative dynamic of knowledge management and organizational learning required to balance tensions between these endeavours, as well as supporting closer scrutiny of the knowledge-power relationships implicit in strategic renewal.

The data and outcomes of this project illustrate the tenacity of developmental practitioners in Victorian local authorities, and the continual nature of their struggle to achieve a fusion that makes Best Value principles both thinkable and achievable, while simultaneously preserving a sense of locale. The gerund construct Practicing Alchemy illustrates how managerial ‘subjectivities’ of practitioners are subverted as they struggle to align Best Value objectives with needs of operational managers, executive and elected representatives of the Councils; as well as the contingencies of residual culture in local authorities, and other structural determinants including demographic profiles; historical, cultural and geographical idiosyncrasies and the realities of an obdurate centrist institutional framework.

To sum up so far, selective use of constructs drawn from the substantive literatures of public sector management, knowledge management and organizational learning have been presented in conjunction with a Foucaultian approach to Actor Network Theory as advanced by Fox (2000). The relevance of these constructs and ideas to the Alchemic Life-Cycle has been sketched. Birkinshaw et al’s (2002) knowledge management cycle, in conjunction with the organizational learning framework of Crossan et al,(1999), the 4 ‘I’s’ Model of strategic renewal have been shown to complement the Alchemic Life-Cycle and supplement insights from our data into the complex nature of knowledge management and organizational learning entailed in implementing Best Value.
In addition, by demonstrating the relational, constitutive and political dimensions of operationalizing a new project of rule, Foucaultian constructs of governmentality have also been explored to illustrate how an emergent context and governance network evolves with introduction of new projects of rule, thereby accounting for the unintended, serendipitous nature of Consolidated Knowledge Brokering Networks, emerging in Stage Four of the Alchemic-Cycle. As Best Value is ‘groomed’, the modernization program provides focus for a counter centrist force that functions to further advocacy and leverage the tacit knowledge of practitioners to preserve gains in local autonomy.

The Alchemic Life-Cycle explains how considerable, and at times contradictory and confusing demands in implementing Best Value are processed at the local level. The complexities and ambiguities inherent in setting up review frameworks compatible with needs of constituents, and accommodative of organizational capabilities, are dealt with in ways that suggest that the paradox of Best Value lies in it being a doctrine of ‘enforced self-regulation’, that requires much ‘interim faith’ as well as what Hood describes as ‘a mixture of oversight and mutuality for regulating regulation’ (2000:283). Our data suggests in order to regulate regulation, the Victorian local authorities studied here respond diversely and flexibly; as well as in a manner that suggests a view of local government authorities as sites of incessant negotiation that quite literally create a rule that accommodates organizational abilities and local needs; while simultaneously responding to demands of external legislation, and attempting to engage with and address needs of the community.

Our data indicates in contexts of uncertainty or confusion, especially during the first stage of the Alchemic-Cycle, Filtering; the lack of specified guidelines on how to proceed and the flexible framing of the legislation functioned to generate new discourses, and eventually, new networks of governance. Demonstrating evidence of community consultation and evaluating what constitutes effective service delivery appear equally challenging with parameters of these tasks essentially unspecified in any standardized fashion by the legislation presumably because this would automatically compromise the self-regulatory aspect of the Best Value program.
Importantly too, the Alchemic Life-Cycle, conceptualizes how these challenges are temporally situated in a period of organizational transition from the prior period of ‘hostile legislation’ that included boundary restructures, draconian competitive contractual regulation, and collateral damage to infrastructure in authorities, as well as erosion of the unity of local identity, and sense of ‘Place’. Throughout the Alchemic-Cycle ODPs struggle to maintain the ‘duties covenant’ of Best Value, most specifically via regenerative alchemic practices and the actions of Stage Four, Legislative Grooming, when to an extent concern with overcoming residual effect of these changes on organizational culture is less of an issue than in earlier stages of the Alchemic Cycle.

The Foucaultian notion of governmentality was elaborated to explain both ‘why’ and ‘how’ the site of regulatory control is ‘subjectivized’ and internalized, initially by ODPs as they make the legislation ‘thinkable’ in order to proceed with implementation. On the basis of this process, ‘readings’ of the organization entailing a summation of constraints relating to existing organizational culture represented as cognitive maps emerge, shaped by prior experience of operational and ground staff with the previous program of rule and their response to the new project of rule. These cognitive maps are mutable, undergoing modification as pragmatic orientations to guide praxis in later stages of the Cycle. They are mediated by ongoing assessment of organizational capacity in specific locales, itself malleable according to availability of skilled staff; staff development opportunities and collective will within the organization to avail themselves of these. The skill base of personnel, and their capacity to internalise a new program of rule is also subject to modification, according to commitment to community development objectives, and how the duties covenant of the modernization project is interpreted.

This ‘reading’ of the organization provides the basis for implementation, ultimately and for a re-siting regulatory control, with the locus of power shifting within the governance hierarchy; to gradually emerge as a more collaborative and networked form of governance, where paradoxically, the central authority becomes increasingly dependent on the learning of Best Value practitioners to frame directives for the next phase of implementation. Furthermore, the initial lack of formulation in the original legislation ensures a proactive response to make this learning foundational for the next iteration of Best Value, but still seriously wanting as a valid framework for evidence based policy making. The insights from the literature on government failure indicate potential for
future grounded empirical studies to more closely examine assumptions of the popular convergence thesis, to which we turn in the final section of the chapter.

5. The Convergence Thesis

There is a substantial literature representing both sides of the convergence debate. Despite contested understandings of convergence, some consensus exists concerning general trends such as emergence of a public sector that is smaller, intensively focused on efficiency and continuous improvement, and typified by small core strategic ministries working in conjunction with a range of specialised, semi-autonomous agencies responsible for operations (see Pollitt, 2002: 474). Together these general elements represent a ‘new model’ of convergence, shared at least by some international scholars of public administration (for example Hughes, 1998; Kettl, 2000; Lane, 2000).

The convergence thesis remains robust, although more than a decade has elapsed since it emerged in a more naive guise as the New Public Management doctrines, widely popularized by Osborne and Gaebler (1992) in *Re-inventing Government*. Along with the trends outlined above, this espoused the advent of an inevitable world wide trend to ‘entrepreneurial government’ (Osborne et al., 1992: 325-28). And more recently this has been echoed by others, for example ‘The movement has been striking because of the number of nations that have taken up the reform agenda in such a short time and because of how similar their basic strategies have been’ (Kettl, 2000:1). Best Value, in the Victorian case, as in Britain, assumes a commitment to continuous improvement, efficiency; and a vision of local authorities as part of ‘joined up’ government, both with central authorities and the community.

Despite this, other scholars have challenged the convergence thesis arguing that it has been exaggerated and distorted to the point of neglecting the ‘different starting points, capacities for reform and directions of travel’ (see Pollitt, 2002:472) typical in government authorities both nationally and internationally. According to Martin, the current attempt to modernize UK local government covers ‘a broad spectrum of initiatives, underpinned by a fascinating, but at times confusing, combination of different ‘operating codes’ and ‘levers for change’ (2002: 304). For this reason, in the final section of this chapter, reflections are included on how our research findings are situated in relation to these broader theoretical concerns on the universality of public
sector change, although it is acknowledged the extent to which any general conclusions can be drawn is limited.

With Best Value, the duty covenant of providing effective community leadership and earning increased public confidence adds complexity to the long standing requirement for councils to provide cost effective local services. For example, Martin argues long term success depends on how local policy makers cope with the inevitable tensions inherent in such a multifaceted modernization program (2002: 305). The paradoxes inherent in implementing a modernization agenda such as Best Value, as outlined by Martin are clearly evidenced in our data which bears testimony to similar complexities and tensions in Victorian local authorities in several ways, although the outcomes of such paradoxes may be highly variable both within and between authorities.

Firstly, Martin (1999b) points to contradictions between the UK government’s desire to be more innovative and its apparent unwillingness to trust all but the best Councils with a greater degree of autonomy. The preoccupation with public service evaluation in Britain (see Boyne, Day and Walker, 2002), where there has been a sizeable commitment of resources by central government and a great deal of concern about whether inspection functions effectively as a mechanism of regulation, control and accountability, has been rather less evident in the initial stages of Best Value in Victoria.

Our data indicates that auditing and evaluation have been far more ‘ad hoc’ in Victoria than is the case in Britain, with participant consensus that the Best Value Commission has been seriously under-resourced for oversight of the new legislation. In the UK, various strategies such as Beacon Councils and inspection by the Audit Commission, have played a central role in evaluation of Best Value; with critics like Boyne (2000) concerned that the costs of regulation may outweigh the benefits because of the large infrastructure entailed in regulating the behaviour and performance of local authorities through performance indicators, audit and inspection (p. 7).

In Victoria the implicit flexibility of the legislative framework, may have had the consequence of generating more uncertainty about how to proceed, leading to uncertainties about the viability of methods and a less regulatory climate. Kloot’s findings, from a comparative analysis of Victorian Councils Corporate Plans (2001),
indicate that evaluative practice and auditing have not been driven by standardized procedures. This in turn may account for a context of collaboration in Victorian local authorities.

Secondly, our research evidences inherent tensions for practitioners between the necessity of making both cost reductions and improving service quality. With the Victorian Best Value agenda, this is further exacerbated by what practitioners refer to as increased ‘cost-shifting’ from central to local authorities, which may be dressed in the rhetoric of improved local autonomy. Thirdly, tension exists between emphasising competition between service providers and the need for establishing greater collaboration between agencies to secure ‘joined up’ working. As suggested by our data, this impacts particularly in situations where choice of provider, and type of service provision, are limited by local contingencies including geographical isolation, demographic profile and size of the organizational unit and local authority. Our data indicates that all three of these paradoxes represent aspects of the politics of modernization agendas like Best Value. And that they impact significantly on the social fabric of communities particularly in rural areas where ‘doing things in the country way’ is strongly bound with local identity and commitment to ‘Place’.

In Victoria, it is possibly premature to determine whether the modernization agenda of Best Value is effectively achieving the objectives of the program; or to detect if evaluation of the outcomes of the program, or the models of reform adopted are representative of those in other countries. What is apparent from our data is the imminent serious danger of swamping practitioners, when as Martin says, ministers and their advisors simultaneously pull on as many ‘levers of change’ as they can lay their hands on (2002:305). His suggestion that in the UK ‘some authorities are buckling under the sheer weight of reforms as resources that might otherwise have been devoted to the provision of better services and more effective community governance have to be diverted into the apparently never-ending task of responding to the latest new initiatives from the centre’ (2002:305), sounds as a cautionary note in the Victorian case.

There can be little doubt at all that the experience of some smaller councils in Victoria, as they struggle to resource Best Value and grasp for appropriate indicators or to identify robust benchmarks for evidence based policy making, that the task is onerous. It is also challenging for larger shires and councils, including those who contribute the
intellectual and social capital of organizational practitioners to participate in the increasingly institutionalized knowledge networks thus building intellectual and social capital. As increasingly specific knowledge networks evolve around best practice and benchmarking, most participants in this study would agree there remains much work to be done.

Pollitt argues the convergence thesis would be better served by a concept of convergence where management reform is understood as possessing a trajectory, rather than being treated as a binary, or as a have/have not phenomenon (2002:477). This would enable convergence to be represented as stages, allowing for a distinction between convergence as a discursive strategy (as in the case of ministers or officials deploying rhetorical skills to ‘talk up’ convergence); and accomplished practices (that include new ways of managing actually taking root in local offices of a jurisdiction). The Alchemic Life-Cycle models such a staged trajectory of implementation; also indicating how practitioners move beyond purely discursive domains in making Best Value operational.

The value of such a heuristic is that it accommodates a dynamic range of practices without necessarily compromising the fact that local authorities might be evidencing convergence in at least in some domains, as organizational learning is disseminated particularly in the lowest echelons of the governance hierarchy. Pollitt distinguishes for example, between four different forms of convergence – respectively discursive, decisional, practice and results convergence; specifying that ‘convergence at one stage does not necessarily imply convergence at the next’ (2002:478). Importantly, he also points out that convergence at one of the later stages can be accompanied by growing divergence at earlier stages, which allows for accommodation of innovative learning outcomes along the way. Although the heuristic utility of this notion of a ‘convergence trajectory’ belongs to macro-level comparisons at the international level concerning changes in public administration, as a model it bears striking theoretical resemblance to the ‘micro-staged’ conceptualization of the Alchemic-Cycle.

The important point that Pollitt (2002) makes, is that some stages of the trajectory, are more accessible for research purposes than others; for example, researching practice convergence is much tougher than researching decisional convergence, because the decisional domain is rich with opportunity to evaluate given that mostly governments
provide wide publicity about management reforms. Practice convergence, on the other hand, is likely to be much more difficult to establish because it depends on systematic scientific description for which extensive field work is necessary to uncover the multi-layered nature of administrative action. The Grounded Theory approach used to establish the emergent Alchemic Life-Cycle clearly has much to offer in examining practice convergence. Pollitt also suggests each domain requires somewhat different research strategies (2002: 488), with the most difficult domain to research being the establishment of results convergence, or comparing results across jurisdictions and organizations. This is because the final outcomes of public management reforms are frequently difficult to pin down.

All this points to the need for careful reconsideration of the research agenda with respect to the convergence thesis, and for caution in operationalizing research on public sector change, an issue we address in the final chapter of this thesis. Parsimonious theories like the Alchemic Life-Cycle offer a useful contribution to debate on convergence, particularly at the level of discursive convergence and practice convergence. In the first instance, the Alchemic Life-Cycle exposes the (sometimes serious) disjuncture between the discursive domain of governance, and the reality of operational practice as Best Value principles are mediated and adapted to needs of specific authorities. Secondly, as a substantive theory it can generate valid and useful hypotheses for further testing the nature of convergence, by establishing synergies with or divergences between the Alchemic-Cycle, knowledge management cycle, and the organizational learning framework and actor-network theories presented earlier.

A grounded approach would be valuable too, for examining Pollitt’s hypothesis that the extent of convergence declines sharply as one moves through the trajectory of discursive, to the decisional, to practice, and finally through to the results categories of convergence, and thus to establishing a valuable starting place for exploring cross cultural comparisons of innovation and change in public administration (2002: 488). This discussion of convergence has interesting implications for our findings, and the emergence of the Alchemic-Cycle. Pollitt suggests that convergence may occur in the domains equating with one or more stages of such a Cycle, without necessarily doing so in all four. For example, there might be considerable accord concerning discourse and decision making, without anything like convergence of practice - or less still of results. The same logic is applicable at the micro-level in the Alchemic Life-Cycle, which as a
temporal model accommodates variation in managing implementation of Best Value and progress through various stages of the Alchemic-Cycle. As a basic social process, allowances are made for regional difference, the impact of historical and cultural contingencies and other organizational idiosyncrasies; as well as accommodating variation in individual experience of practitioners and their commitments to either community development or managerialist orientations.

The data from this research provides limited evidence for cautionary treatment of the convergence thesis with respect to public sector management. Best Value, in Britain, as in its Victorian incarnation, represents the centre-piece for a wider reform agenda for modernization of local government by the respective national and State Labor Governments. In this research the focus has been on the experiences of practitioners implementing Best Value at the local level in Victorian authorities; and, the data gathered repeatedly evidences inherent tensions of a scheme (that to use an apt characterization of Best Value in Britain), is ‘an unusual cocktail of top-down concept and bottom-up realization’ (see Ball, Broadbent and Moore, 2002). Engaging local authorities in their own regenerative reform, as Ball suggests, may represent a new ‘technology of control’ of the local government sector (2002: 9) as we have suggested in linking our findings to Foucaultian understandings of the episteme and technologies of governmentality.

Victoria adopted a model of Best Value closely resembling the model in the United Kingdom, and initially consensus about the meaning of Best Value was embryonic. This meant local authorities in Victoria had essentially to ‘process’ their own version of the program. Our evidence suggests what emerged is far less regulated in terms of centrally directed evaluation processes than are evident in the British case. Given Pollitt’s (2002) distinction between discursive-decisional practices, and results convergence, our evidence suggests that although convergence may be indicated in a limited sense at the discursive stage, there is very little evidence to support the convergence thesis in terms of decisional, practice or results convergence. Outright commitment to the convergence thesis would be a flawed interpretation of the outcomes of this research, or at least at this point, very premature in the Victorian case.
Mediations of Best Value in Victoria are diverse and accommodative of local demographic, historical, environmental and other structural contingencies. Implementation also occurs in a complex local governance hierarchy that being much less wide ranging than the UK counterpart, bears little direct resemblance to the statutes of local government in Britain. While the broad framework of the legislation shares much in common with the British Best Value program, implementation suggests a very different picture at the coalface. The inherent flexibility of how the legislation was framed, and the management of oversight by the Best Value Commission in the Victorian case, has meant operational practice has been to date highly divergent. Any sort of systematic auditing such as that carried out in the United Kingdom, would in practice be a nightmare even were there sufficient resources to make it possible. In the Victorian case, closer scrutiny of the government failure thesis proposed by Higgins (2004) may be a better starting point for framing questions about the trajectory of Best Value, or for evaluating established projects of rule in the public sector, in order to establish claims of evidence based policy making.

Conclusion

To sum up, the Alchemic Life-Cycle has been juxtaposed against the knowledge life-cycle, espoused by Birkinshaw et al. (2002); and, the 4'I’s organizational learning cycle as conceived by Crossan et al. (1999), to emphasise how alchemic practices represent a generative response to resolving challenges of operationalizing the Best Value legislation. The ensuing learning is a consequence of the lack of precedent or procedural directives to guide decision making or practice in implementing the legislation. At the end of the first cycle of review with new Whole of Organization Guidelines issued, the Alchemic-Cycle enters a renewal phase, as these may be equally open for interpretation, and remediation depending on how reporting guidelines are framed. As the renaissance of the Alchemic Life-Cycle resumes, the imperative for generative learning is high and the need to link Best Value Initiatives at the level of strategic planning more urgent; as is sustaining perceived gains in local autonomy.

With transformation of the governance hierarchy to a networked model an unpredicted consequence of Best Value to date, regional networks, professional associations like LGPro, and the Best Value Commission function more collaboratively as stakeholders
in determining future directions for the legislation, jockeying as composite ‘nests’ of communities of practice and acting as potential sites for new resistances to emerge to the central authority.

Although the research findings for the project are not based on data from every local authority in Victoria, investigation via extensive observation of more than a third of cases, and in-depth interviews with representatives from more than a quarter of the ODPs in a range of rural and urban constituencies means this is not necessarily a serious limitation. From the viewpoint of grounded theory analysis more generally however, findings are always incomplete in the sense of being always modifiable by introduction of new data.

In this chapter, our findings have been situated in the extant literature, drawing on an interdisciplinary selection of constructs and ideas directly relevant to the outcomes of this project. These are examined and woven together with insights drawn from knowledge management, organizational learning and public sector administration augmenting and adding density to the Grounded Theory of The Alchemic Life-Cycle. From the standpoint of ODPs responsible for implementing Best Value, the associated core category, Practicing Alchemy, is advanced as a valuable gerund construct showing how organizational practitioners resolve challenges associated with making the new project of rule operational, during the four stages of the Alchemic-Cycle.

The emergence of the Grounded Theory and basic social process of the Alchemic Life-Cycle suggests that introduction of a new project of rule such as Best Value that diverges significantly in principle from the preceding program, depends on development of a strategic renewal orientation in local Victorian authorities. This depends on major shifts in cognitive understandings throughout the governance hierarchy. At some point there is a juncture when the learning that occurs is no longer an outcome of the coercive power relations implicit in the ‘fact of legislation’. Strategic renewal requires practitioners to balance exploitation of prior learning, with exploration and new learning. The alchemic practices associated with the Alchemic-Cycle are exercised to interpret, and control integration of the legislation. As primary instigators in the evolution of new communities of practice, ODPs play a fundamental role in creating appropriate organizational mindsets to address Best Value objectives, and to extend
these beyond the authority into the domain of inter-organizational discourse. As a consequence of practitioner commitment to addressing the duties intent of the Best Value legislation a significant generalization of local discretion occurs both within the authorities and to a lesser extent in local constituencies.

The Alchemic Life-Cycle and gerund construct Practicing Alchemy provide a useful heuristic for conceptualizing the intermittent, serendipitous and cyclical manner in which Best Value has been taken up and adapted to by local government authorities, in Victoria. As a continuous context model and action cycle for learning and strategic renewal, the Alchemic Life-Cycle presents as an explanatory paradigm able not only to demonstrate the socially situated nature of the learning occurring, but also accommodating the highly idiosyncratic, generative and agentic nature of implementation. Our findings suggest organizational learning with respect to public administration is best understood as a complex interwoven project of learning and exchange, operating in a cyclic fashion through networks as sites of mediation and sharing of tacit understandings established between practitioners based on their experience of the first round of implementation.

Conjunctions of the Alchemic Life-Cycle with a knowledge management life-cycle (Birkinshaw et al. 2002), and an organizational learning framework focused on strategic renewal (Crossan et al.,1999) have been drawn to theorize emergent tensions between exploring and learning new ways while concurrently exploiting what has already been learned, as evidenced in the data for this research. Via alchemic interpretation and conjuring these tensions are negotiated, and managed, in the early stages of the alchemic cycle to reassure personnel in the authorities that the old will not disappear with the new. Supplemented by alchemic procurement during stage three, and the regenerative alchemy of the final stage of the Alchemic-Cycle, local authorities gradually orientate to Best Value objectives of continuous improvement and strategic renewal. At the interstices of these mediations, ODPs play a key role in transferal between the symbolic realm of legislation and the grounded reality of the operational domain.

The Alchemic Life-Cycle characterizes learning as occurring in the first instance within the institution at certain interstices before it extends to the organization as a whole. How
this occurs depends largely on processing of the legislation relative to the contingencies of specific organizations. It also relies on the repair work required to re-orientate organizational culture and align it with the rhetoric of Best Value. The necessary cognitive transformation takes place initially at the individual level, as ODPs are beset by uncertainty about meanings of the legislation, and the implications for managing service delivery, because of the flexible terms of the legislation. Alchemic practice resolves the inherent challenges of balancing efficient and effective management with leadership for strategic renewal and innovatory learning to take the Victorian authorities forward to a modernized governance agenda to instigate stronger and more sustainable communities.

The learning entailed is in the first instance social and contextual, occurring in ways that challenge a view of organizational change as a process adopted by formal canonical entities. Bounded not only by individual capacities of ODPs, but also by a range of external contingencies including location, size and available resources, the course of modernization is shaped in addition by local idiosyncrasies including environmental, demographic and historical factors impacting directly on service delivery, and the needs of local constituents. Local government, as a complex institutional structure, is shaped in addition by organizationally specific factors and experiences of personnel to the prior program of rule with its impact on the capacities of the local authorities, and residual effects on organizational culture and local identity.

Best Value represents in principle a swing of the pendulum away from the market model that informed the prior CCT regime of the nineties. It is too early to say whether this represents change of substance, or simply new rhetoric. The first round of implementation indicates a need to identify the extent to which introduction of Best Value principles, and the shift to a duties orientation to developing democratic and sustainable communities, invariably carries with it potential for unintended negative consequences such as those indicated by Van Gramberg and Teicher (2000) in the Victorian case.

The emergent Grounded Theory of the Alchemic Life-Cycle indicates closer scrutiny of the contradictions in implementing Best Value principles is called for, given the consolidation of knowledge sharing networks at the local level, that represent both a
consequence of the flexible manner in which the legislation is framed, and a locus for the expression of community development imperatives and of local identity by organizational development practitioners. Adherence to a process that is both highly regulatory and hierarchical, compounded by a lack of procedural guidance, may effectively generate sites of contestation within a centrist system of fiscal control, as decision making and the imperative for self-enforced regulation are devolved to increasingly lower levels of the governance hierarchy; and when networked forms of governance are the outcome of such modernizing projects.
CHAPTER TEN: Implications and Conclusion

Introduction

In the previous chapter constructs, and ideas, selected from literatures relevant to the research findings concerning knowledge management, organizational learning, network theory, and Foucaultian constructs of Governmentality were examined to support claims concerning the value of the gerund construct Practicing Alchemy. The research outcomes were also examined with respect to some key theoretical issues including the lack of consensus in two important domains of the literature on public administration, namely the Government Failure thesis, and the Public Sector Convergence debate, providing further densification for the Grounded Theory of the Alchemic Life-Cycle.

In this chapter, we address how this project achieves the purpose and aims outlined in Chapter One. Firstly, how the emergent Grounded Theory of The Alchemic Life-Cycle meets Glaser’s four criteria for evaluating Grounded Theory including fit, relevance, workability and modifiability is examined (Glaser, 1998: 236-238). Secondly, the significance of the research outcomes for organizational practitioners who implement centrally decreed projects of rule, like Best Value, and for constituents of the local authorities is considered. Following this, the methodological implications of the study are presented to show how this research responds to key challenges in the current research agenda on public sector administration. The chapter concludes by indicating how this research on Best Value, contributes to the literature on government modernization programs, by indicating a range of questions that it raises that are worthy avenues for further investigation.

There is much uneasiness amongst researchers, and practitioners, about the transference of New Management Paradigm principles from the private to the public sector, and concession that ‘on average’ public and non-profit organizations cannot (or do not) operate with the same degree of efficiency as the private corporation (see for example Rainey and Steinbauer, 1999). Boyne focused on the burgeoning superstructure, in Britain, for regulating behaviour of local authorities through performance indicators, audit and inspection, suggesting that very often the instruments overlap with the internal management processes in the local authorities, as well as with each other; and
concluding that the costs of regulation may outweigh benefits (2000:7). Others emphasize the critical role of *effective* public administration in maintaining the strength and viability of democracy, hence expressing concern about a predilection for the research ‘gaze’ to be narrowly directed to examining issues of efficiency and cost effectiveness (Simon, 1998, Armstrong, 1998). In addition, a related and well developed critique considers the tendency to assume New Management principles are equally relevant to the strictly speaking ‘non-convergent’ goals of local government, namely efficient provision of community services and infrastructure - versus realization of principles of effective community development (e.g. Aulich, 1999; Saggers et al, 2003).

**Glaser’s Four Criteria for Evaluating a Grounded Theory Study**

This research responds to a general dearth of micro-analysis from the practitioner standpoint in public sector research on the implementation of modernization projects like Best Value, in the Victorian case. It does this by aspiring to meet four criteria outlined by Glaser as fundamental to evaluation of a Grounded Theory, such as The Alchemic Life-Cycle. Glaser claims that Grounded Theory is the only methodology that ‘generates conceptualizations that fit, work and are relevant (2003: 131). In the following section, the research outcomes are assessed respectively, in relation to these three criteria, as well as to a fourth criterion – modifiability. Together these represent the fundamental means of generating trust in a Grounded theory, because they make ‘both Grounded Theory and the action it purports to explain tractable’ (Glaser, 1978:6).

**Fit**

Fit is defined, in the following manner by Glaser: *Fit is another word for validity, which means does the concept ’represent’ the pattern of data it purports to denote* (1998: 236). ‘Fit’ represents the outcome of the method of constant comparison (1998:18); and Glaser suggests that, since most categories of a Grounded Theory are generated directly from the data, the criteria of fit is automatically met (1978:4). This rests on the assumption that data has not been forced, or selected to fit, either existing or pre-conceived categories, or discarded in order to keep an extant theory intact (Glaser 1978: 4). The categories in this research emerged very quickly, which Glaser says is not a problem as long as the researcher constantly refits the emergent categories to new data.
Together Appendices A and B provide some insight into how successive data was gathered using modified questioning strategies, and by comparing emergent codes with already existing categories, to modify these or accommodate new insights. Fit is ensured in this way ‘by going right to the data and generating concepts from it, while constantly adjusting the best word to denote the pattern, as constant comparisons occur and the pattern emerges’ (Glaser: 1998:236).

Fit can also be monitored in a Grounded Theory project by confirming that all steps in the coding paradigm (open, selective, and theoretical coding procedures) are undertaken. The researcher should indicate that the rigorous methodological procedures of constant comparison and memo writing are followed, with theoretical sampling occurring to ensure saturation of categories, and theoretical memos evidencing the derivation of concepts and ideas directly from categories emerging from the data. Chapter Three closely details my initial attempts to analyse the early interview data. In hindsight, this analysis did not move much beyond open coding, and a preliminary sorting of codes into broad thematic categories, but these emergent themes provided insights about the core category even in the early stages of the analysis.

Further delimitation of the research occurred from that point. Appendix A provides a detailed audit of how Glaserian analysis was applied after my initial venture into the coding procedures. From then on, I started auditing codes more carefully, assigning each an interview and code number. With further site spreading after identification of the core category of Practicing Alchemy, Glaserian coding procedures were applied more systematically. Appendix A illustrates how raw data is moved to higher levels of abstraction as the relationships between categories are established by the method of constant comparison, continuous memo-ing and theoretical memo-ing. As the core category was further substantiated and differentiated, it was possible to establish relationships between categories and the emergent Basic Social Process of The Alchemic Life-Cycle.

Relevance
By definition, **Relevance emerges, together with fit if a Grounded Theory allows core problems and processes to emerge** (1978: 5). This develops trust that the researcher is ‘truly getting at what is going on that is important to people in the substantive area’
(1998: 237). Such an achievement indicates the research has impact, and meaning for the participants, because it addresses their main concerns and identifies how these are continually resolved in practice. This study documents how the challenges of implementation were addressed at the grass roots, by staff in Victorian local authorities to make the Best Value Principles operational within a specified time period.

Glaser tells us concepts derived from our data must be meaningful for participants, assisting them with making sense of their own situation. In situations of uncertainty, as were initially evident at the outset with Best Value, procedural guidance in government literature pertaining to Best Value was limited. In conjunction with the feedback provided by the Best Value Commission - often belatedly - our findings provide a grounded analysis of implementation in Victorian local authorities, with the outcomes pointing to a continuing lack of consensus about how Best Value is to be achieved or regulated, even as shared understandings of Best Value become more evident.

Commitment to the duties framework implicit in the legislation is widely shared by ODPs participating in the research, although uncertainties remain concerning auditing processes and accountability. These figure as key issues to be tackled, in the Victorian case, as the Alchemic Life-Cycle is renewed, especially given that Boyne (2000) tells us in the British case, Best Value entails a large superstructure for regulating the behaviour and performance of local authorities through performance indicators, audit and inspection, in which the costs may easily outweigh the benefits because the instruments overlap both with the local authorities’ own internal management processes and at times with each other.

It is submitted, that the high level of engagement of ODPs, and the voluntary generous commitment of much of their time to share experiences and understandings of implementation indicates that this research was ‘meaningful’ for the participants. Along with a readiness to include me at network meetings, and relevant professional forums throughout the research, participants regularly invited informal feedback on the status of the research. Feedback on the emerging ideas suggested they ‘resonated’ with participant understandings of implementation meaning the criteria of relevance was addressed. Relevance, as Glaser says, ‘makes the research important, because it deals with the main concerns of the participants involved’ (1998:18).
Relevance makes possible the formulation of hypotheses that are both helpful for participants in a substantive area, as well as viable (Glaser, 1998:11). Hypotheses are viable if they generate theory accounting for how ODPs process their main concern. Our research findings indicate a considerable gap exists between formulating policies like Best Value, and the experience of making the policy operational. Among other things, this suggests a need to reconceptualize understandings of service delivery as dynamic phenomena. How change is monitored, and how performance is measured and audited should be closely aligned with understandings of the complexity of making new projects of rule, such as Best Value, operational.

In a brief presentation of my Grounded Theory at a Regional Network meeting in July, 2006, I elaborated on the idea of alchemic practice as a metaphor, and construct, for explaining how the on-going challenges of implementing the legislation are resolved. The twelve ODPs who were on familiar terms with me greeted the ideas with a resonant (rather than polite) response, and murmurs of recognition. At this stage, the cyclic model had been identified, although, I mentioned to the group I was concerned that my formulation of the last stage was rather more ‘thinly’ supported by the data than the earlier stages, as it was still temporally underway!

Until then, I had toyed with calling the fourth stage, Legislative Transformation. One participant at the Network Meeting suggested the job now was not with transforming, but with ‘grooming’ the legislation, since the first review cycle was completed. This idea generated new theoretical memos, and was later adopted as an in vivo code, for naming the fourth stage. As participants routinely asked for individual feedback on the research at Network meetings, I has time to gauge participant responses to support, or modify, my claims. A regular email correspondence throughout the research, with one ODP provided another means for closing the feedback loop to ensure the research outcomes met the criteria of relevance.

Most significantly, participants recognized that my research highlighted their contribution to the Best Value process by documenting their role in implementation. This redressed the fact that initially the ODPs contributions and direct experiences, were by-passed by the Best Value Commission, who, in visiting local authorities to officially gauge progress with the legislation failed to speak directly with ODPs ‘at the coal-face’.
Works

Fit, and relevance, lead to the next criteria - ‘works’ (Glaser, 1998: 237). To ‘work’ means grounded theory must be relevant to the action in the substantive area. The theory should ‘explain what happened, predict what will happen and interpret what is happening in an area of substantive or formal inquiry’ (Glaser, 1978:4). By integrating the core category, and sub-core categories, the theory must ‘account for most of the variation of behaviour’ (1998:237) observed. When this occurs, it is because ‘The concepts and their theoretical coding are tightly related to what us going on. They work!’ (1998: 237). Accordingly this creates trust, that we can understand and apply a theory about a substantive area.

A parsimonious Grounded Theory such as The Alchemic Life-Cycle has heuristic value, and ‘works’ because it is grounded in the reality of Best Value practitioners. Providing useful insights, The Alchemic Life-Cycle and core-category Practicing Alchemy, enable both participants and the reader of the research to understand that government reform may not be best conceptualized as unitary. Rather, as Fournier and Grey (1999) argue, it may be understood as something impacting on both organizational and individual identities which are not unified - but fragmented, capable of holding contradictory opinions and of adapting, accommodating and displaying detachment from them (p,116).

In sum, generalizations or constructs derived from a grounded theory analysis must resonate for research participants, evoking instant grab or recognition from them. My Briefing, and other exchanges, on the emergent stages of the Alchemic-Cycle were responded to with ‘recognition’, as was the idea of alchemic practice as represented by the constant need to juggle to keep the balls of principle and practice simultaneously ‘aloft’.

Modifiability

In addition to addressing the important theoretical concerns discussed in Chapter Nine, the research redresses a scarcity of grounded empirical investigation into the micro-processes of public sector reform in the extant literature. Outcomes support the idea that reform definition-ally is ‘ongoing’ and malleable, rather than a static or bounded phenomenon. A grounded theory, such as the Alchemic Life-Cycle, because it is open-ended, avoids the danger of becoming reified from practice, to an extent that it may not
have any real predictive value. As a cause-consequence cyclical model, the stages of the Alchemic-Cycle are not fixed ‘temporally’. Nor is the predominance of particular forms of alchemic practice intransigent, with respect to various stages in the cycle, for future iterations of the Alchemic Life-Cycle.

For example, with renewal of the Alchemic-Cycle, stages, indeed phases and their properties may easily be modified, in accordance with new data. Legislative Filtering, for instance, in a renewed Life-Cycle may be modified as the alchemic practices previously associated with Legislative Filtering are re-directed to the newly formulated guidelines, because re-interpretations of Best Value may no longer be directly linked to the original legislation. The Basic Social Process of the Alchemic-Cycle is open, at any point to transformation, as a result of the insights which new data may supply. The cause-consequence cyclic model may remain robust despite this – or it may prove provisional and require significant modification.

In this research, on-going data collection contributed to modification of the theory. Initially, I assumed there were only three stages, however as a result of site spreading and selective coding, I became aware that a fourth stage was necessary for emergence of a cause-consequence cyclical model. This was apparent only later in the research when reviews were being finalized. Theoretical sampling of the literature on knowledge management and learning network theory contributed to the articulation of the fourth stage, providing conceptual connections for linking the research outcomes to broader theoretical concerns in relation to the New Public Management including the related debates on government failure, and convergence in public sector reform.

Glaser suggests, if theories take too long to verify or change, they lose their relevance (1978). For this reason modifiability is important for evaluating a Grounded Theory. As Glaser says nothing can be regarded as sacred, as long as the researcher remains committed to giving priority attention to the data. Given that for Glaser, a grounded theory is judged by its potential for ‘modification’, and that implementation of Best Value is still in its infancy in Victoria, there is further scope for examining the outcomes of this research, in relation to changes in other States for example, particularly given the very recent moves to amalgamate local authorities in Queensland.
Significance of this Study for People in the Substantive area of Inquiry

The previous discussion of Glaser’s (1998:236) four criteria for evaluating a grounded theory, make evident the aim of using this methodology to develop theory that is relevant for the people within the substantive area of inquiry. He says, the theory must be able to be used ‘meaningfully’; and, if ‘It is trustworthy to use. It is not based on impressionism, nor conjecture, but on a rigorous methodology that empowers’ (1998: 238).

It is submitted here that the emergent quality of the Grounded Theory of The Alchemic Life-Cycle, with the gerund construct Practicing Alchemy, empowers not just participants in the substantive area to develop new insights about managing the implementation of Best Value; but that the research contributes to generating alternative understandings to those currently informing the management of public sector change.

By re-conceptualizing public sector change, service delivery, and organizational learning, in a dynamic manner, the implementation of a new project of rule is constituted as an unanticipated outcome of mediations at the local level. Operating in communities of practice, engaging with other stakeholders in the Best Value process, ODPs and others are empowered to assume ownership of the Best Value process. Through skilfully balancing old understandings of service delivery with new regulations, and ideological principles about governance - legislation for the new project of rule, is adapted to ‘fit’ local contingencies. This occurs in accordance with the community development commitments of ODPs and their capacity for advocacy concerning the duties attributes of Best Value. It is also determined by the capacity of local authorities to change how they deliver services, and, the general will of local constituencies to accept Best Value guidelines as an imperative for strategic renewal and the growth of sustainable communities.

Tailored by ongoing commitment and aspirations of the ODPs, and local and historical contingencies that impact on implementation, Best Value is subjected to a knowledge management trajectory that may prove quite specific to public sector management. ODPs play a critical role in recognizing quite early that the Best Value imperatives must be more linked more closely with strategic renewal initiatives. This objective is more
complex than continuous improvement of service delivery within specific business units, being directed to improvements in community sustainability and a generalization of local discretion. As the processes of adaptation to Best Value are mediated by different forms of alchemic practice, our understandings of local authorities as canonical representations of the state are eroded, or significantly reconstructed.

**Theoretical Indications**

Through integration of diverse theoretical formulations drawn from the fields of knowledge management, organizational learning and actor-network theory; and through situating public sector change within a Foucaultian framework of Governmentality, our findings can be linked with issues of theoretical importance. It is submitted that the Grounded Theory of The Alchemic Life-Cycle offers a substantive theory, and formulation of a cause-consequence cyclical model of public sector change. Our data suggests challenges to traditional understandings of New Public Management may be called for, including the need for caution about transference of assumptions informing New Public Management frameworks in the private sector, to public sector reform.

The emergent Grounded Theory of the Alchemic Life-Cycle closely accords with a model of organizational learning informed by community development principles advanced by Aulich (1999a). Contrasting this with a more hierarchical performance oriented model of public sector renewal, Aulich concludes that while some convergence is occurring between local government systems in Australia, as ‘solutions have invariably been transferred between state jurisdictions’ - that such patterns of reform are in flux and require constant revisiting (Aulich, 1999a:13).

Indeed, although Aulich categorizes changes to the Victorian local government Act as most typically reflecting the theoretical distinctions of a structural-efficiency model - where local government is perceived narrowly as the supplier of goods and services (1999a:19) - the indication from our research suggests the introduction of Best Value may have inadvertently triggered a realignment within the Victorian local government sector. The contrasting interventionist local democracy model, correlating more with a willingness to accept diversity as an outcome (Aulich 1999a:18) may be closer to the case. Embodying a more political approach to reform – this model rests on assumptions
that reform is incremental, and rather less ‘top down’ than the structural-efficiency model suggests. Providing an alternative perspective to a narrow performance management focused model, for implementing and monitoring modernization objectives in local government authorities, in Victoria, The Alchemic-Cycle evidences how practitioners strive to accommodate the duties provenance of Best Value.

Presenting a grounded representation of implementation at the local level, the Alchemic Cycle, explains why community development aspirations continue to be maintained by practitioners, even when the centrist regulatory climate may appear antithetical to achieving genuine local discretion. Expression of less tangible governance goals of Best Value including community building, and sustainability surfaces through the Consolidating Knowledge Networks and via the advocacy associated with Reconstituting Place, particularly as represented in the final phase of the fourth stage of the Alchemic-Cycle.

Our data suggests, initially practitioners are overwhelmed by the need to adapt to, and resolve, contradictions and anomalies inherited from the prior legislative regime, and by the mandated reporting requirements of the new Best Value legislation. Our findings indicate the pragmatic value of grounded theory for discovering the processes via which the discourse of New Public Management shapes process, ‘at the coal face’, in Victorian local government. The Alchemic Life-Cycle has heuristic value for practitioners and policy makers alike, because it identifies the emergent and interstitial nature of the role played by ODPs in instigating communities of practice, and in contributing to how these actor networks evolve to mediate and reformulate the new legislation.

As a Basic Social Process, conceptualizing the organizational learning implicit in adaptation to a modernisation project like Best Value, The Alchemic-Cycle provides insight into the power of local contingencies to shape the take-up of Best Value, and the institutionalization of the knowledge required to make Best Value operational. In turn, these understandings inform decision making, management of service delivery, how reviews are conducted, as well as influencing new discourses of governance. In this manner, as Glaser suggests, grounded theories have potential to directly inform change that is relevant for participants: ‘Grounded theory is needed by participants, researchers,
and users of the theory for the incremental changes so important to the substantive areas under question’ (Glaser, 1998: 45).

If Grounded Theory has ‘user value’ for participants in the research, bringing about change is possible. Participant understandings of Best Value as identified in this research, allow for emergence of problems as experienced by the organizational practitioners. Grounded Theory, in this way, indirectly contributes to small but valuable incremental changes in the field. In our research, for example, we identified primary concerns of individuals administering Best Value and explored contested understandings of Best Value in practice, to ascertain ways in which these confound the reform process. Potentially this offers opportunities for a clearer [operational] articulation of the principles guiding Best Value.

The research outcomes illustrate the tenuous relationship between organizational, and individual, learning and knowledge management, and make obvious the complex and mutable power relations that inform regulatory control of the Best Value process. At the nexus between tacit knowledge and praxis, Best Value practitioners represent interstitial nodes within a complex web of interfaced communities of practice. As representatives at the local level of the governance hierarchy, they leverage their experiential learning in ways that contribute to determining future iterations of the legislation.

**Methodological Implications**

Although there has been much recent debate about the best ways to improve public service delivery - both nationally and internationally - there is relatively little empirical analysis of which approaches are most effective particularly at the level of local government. The research agenda has centred on the most appropriate ways to measure effectiveness generating a range of practical and academic responses to the issue of auditing practice. The issue of effectiveness still requires urgent examination. Although, some recent encouraging incursions into this domain (e.g. Rainey and Steinbauer, 1999; McAdam and O’Neill, 2002) provide significant insights, the use of grounded theory has been limited by methodological flaws (see Suddaby, 2006; Jones and Noble, 2007).
As the transition to Best Value is much more recent in Victoria, than in Britain, there are few attempts to conceptualize outcomes or to document implementation at the level of micro-analysis. The dearth of meaningful empirical data makes comparison difficult in the international arena. This is also true nationally, meaning identification of differences between, or variation within, states is difficult to specify. This study adds to as yet nascent literature in the field providing useful local data to further national and international comparative study in the area of public sector reform and modernization agendas associated with the New Public Management.

The research outcomes validate the methodological grounds (see Chapter Three) for selecting Orthodox Glaserian Grounded Theory as a framework for the investigation, in the following ways. Firstly, the complex interface, between various levels of the governance hierarchy indicated in our analysis, suggests concepts derived from such an exploratory investigation can be usefully related into hypotheses that 'sufficiently account for how the main concern of participants in a substantive area are solved' (Glaser, 1998:18).

The Alchemic Life-Cycle, and associated gerund construct Practicing Alchemy, effectively account for how practitioners simultaneously mediate, and negotiate, to build learning accounts as a basis for shaping discourses of strategic renewal, to address the Best Value agenda. This is achieved concurrently with the exploitation of existing understandings to minimize uncertainties associated with a new ‘flexible’ project of rule; and to meet on-going demands of service delivery.

Secondly, the research outcomes indicate that while changes to administration of the public good may rely on quite similar knowledge management processes as found in the private sector, but that such projects of rule may share little else in common with management agendas for strategic or product renewal in other sectors of the economy. Emergence of collaborative communities of practice means that local authorities are subject to shifting loci of regulatory control, which may be fluid and variable according to the stage of the Alchemic-Cycle in which implementation unfolds.

It is submitted that the actions and contributions of practitioners responsible for mediating and implementing new programs must be accounted for, in designing policy
instruments to effect change in the public sector. They are integral with making sense of
the intricacies of contextual and organizational conditions, including historical
contradictions, and the national and international political legacies around which reform
programs are constructed.

In Australia, there is a need for empirical investigation dealing with the ‘miniature’ of
how issues relating to public sector reform manifest, and are resolved, on a day-to-day
basis. Jones’ (2000) analysis of a sample of urban UK councils provides such micro-
level insight, and a longitudinal analysis of ways in which practitioners resolve real
problems of maintaining service quality in local government parks and open spaces. The
study presents a ‘flesh and blood’ illustration of workers ‘salvaging and rebuilding’
their daily reality in response to transitioning to Best Value after a long period of CCT,
and closely monitored fiscal constraint in Britain.

Similarly, our study demonstrates how implementation of Best Value is managed after a
similar period of political and fiscal regulation, by juggling and balancing competing
demands of routine service provision with the requirement to show how community
needs are met both efficiently and effectively. The contribution of the present study is
that it provides a micro-analysis of what Fox describes as the ‘agonistic’ struggle’
(2000: 860) entailed in organizational learning, particularly when the objective of
knowledge management is strategic renewal.

The Alchemic-Cycle shows that if we stop thinking simply about individuals working
and learning in a neutral way with other individuals, because knowledge ‘filters’ in a
roughly hierarchical manner within a canonical organizational structure - then public
sector change may be re-construed as an outcome of force relations at every point of the
governance network.

A number of important implications follow from these findings. Firstly, our study
provides a grounded representation of the impact of prior ‘hostile legislation’ on
implementation of new projects of rule. While Jones (2000) conceptualizes how change
during a period when New Management principles in Britain impact on the
management of public space; our gerund construct of Practicing Alchemy offers a
useful and potentially transferable metaphor for explaining the generative nature of how those in charge of implementing Best Value respond to ‘residual collateral’ damage, from the CCT period, in the Victorian local government sector.

Secondly, the alchemic cycle effectively demonstrates how organizational practitioners ‘regulate regulation’, so as to dovetail the imperatives of new legislation with the capacities of their authorities, and most obvious needs of the constituency, by deploying various forms of alchemic practice, in the course of the Alchemic-Cycle. Alchemic practice functions to support a shift in the locus of regulatory power as the ODPs assume an advocacy role for ‘Reconstituting Place’.

Thirdly, grounded studies indicate that service quality is not best served by singular understandings based on standardised performance evaluation measurement procedures. Our data demonstrates the complexity of identifying performance indicators that adequately reflect quality outcomes or pertain to long term sustainability for a community. Our findings indicate an urgent need to establish dynamic models for conceptualizing service quality that accommodate the Best Value imperatives of community strengthening.

The Alchemic Life-Cycle, for example, achieves this by conveying how a range of reform processes associated with Best Value are addressed as day-to-day management, practice. Our findings suggest, programs for public sector modernization should be conceived of as, at best, provisional frameworks for strategic renewal within which the real business of accountable management practice, and engagement with a duties provenance to attain Best Value, unfolds. This emerges according to the capacity and will of organizational development practitioners, and ordinary ground staff, in accord with how they engage with the ethos and rhetoric of the associated legislation.

By examining a range of responses to the introduction of Best Value in Victorian local government authorities using the method of constant comparison, practitioners’ solutions to the dilemmas of implementation and their resolution of everyday concerns, supports a better appreciation of reform process generally and of the real challenges to achieving effectiveness without compromising efficiency. Ashworth, Boyne and Delbridge (2005) claim in Britain that the Best Value regime was supposed to shunt
local authorities towards a set of characteristics believed by central policy makers to be associated with better performance, implying changes in local authority structure, culture, strategy processes and strategy content (see also Boyne et al., 2004). This remains problematic because it was not complemented by devolution of genuine local discretion suggesting that, in the British case, it is unlikely suitable evaluation processes will be identified to generate significant evidence about the impact of Best Value on making communities more robust and sustainable.

Armstrong (1998) examines the impact of New Public Management objectives at the State level in Victoria, with their rationale of decentralisation of authority, introduction of flatter structures to make departments more flexible, greater autonomy for managers to manage, and greater incentive for staff at all levels to be more accountable for their performance. In keeping with the current management theories associated with Total Quality Management – the growth of learning organizations capable of innovative responses relies on a decentralization of authority and devolution of responsibility to those at the lowest levels of the governance hierarchy. Armstrong (1998) points to the anomalies of a system which is matched by the introduction of performance management systems and evaluation in which indicators tend to be tied to efficiency at the expense of client outcomes and effectiveness.

These reflections give rise to a number of questions concerning the extent to which community needs are either effectively identified or met by policies associated with Best Value. For example, do cheaper prices really reflect an expression of customer need, particularly if they ignore the ability of customers to articulate needs - or to make real choices - either because they are uninformed, ill-informed or because resources for them to do so are not available? In terms of the constituencies concerned in this study, we may well ask - is there a clear understanding at all in the community, or for that matter at any level of the governance hierarchy - of the objective of sustainability, as opposed to more immediate pluralities of competing interests that constitutes a local constituency?

Finally, if organizations struggle with capacity issues, to what extent is it be expected that services are maintained by people who are creative, committed, innovative and working with purpose? Can ground staff adopt a new culture and practices of a learning
environment that determines success in the world beyond 2007? In all, a lack of independent evaluation has reduced the value of much information which could contribute to a worldwide debate on public sector reform (see Armstrong, 1998, Saggers, 2003). Whether a shift has occurred from the compliance paradigm framing public sector change during the CCT period, to a position of constructive participation in conjunction with the community development orientations of Best Value, remains to be established.

Returning to Glaser’s notion of ‘forcing’, a case can readily be made that academic discourse on public administration such as the New Public Management principles may itself assume ideological intent, potentially playing a ‘forcing’ role in institutional contexts such as local government. For this reason, this research has attempted to explore the extent of convergence between academic discourse of New Public Management, and the institutional discourse of local government as represented by practitioner accounts of implementing Best Value. By illustrating how alchemic practices contribute to, and gradually generate and shape new discourses of regulation, we effectively challenge some assumptions underwriting evaluations of modernization projects which start from assumptions that organizations like local government authorities are canonical, in the traditional sense.

We have argued in Victorian local authorities, social networks and learning communities of practice play a principal role in the change processes associated with implementing Best Value. Empirically, the Alchemic Life-Cycle represents an alternative view of the knowledge management process accompanying organizational change, by challenging the notion of a modernization agenda conceived of as a ‘centrist’ driven, cascading series of changes through the hierarchical structures of governance. Mohrman, Tenkasi and Mohrmans’ indicate that existing hierarchical networks of this nature fail on two counts; firstly, by being incapable of sharing information beyond the existing schema of the organization; and secondly, by being ‘overly reliant on prescriptive commands’ (2003: 320). In the case of the authorities studied here, neither of the outcomes was indicated.

Our findings suggest in the Victorian case, the flexible framing of the legislation for Best Value made organizational practitioners highly reliant on sharing information
beyond existing schema, causing implementation of organizational change to become a knowledge-creation process, as much by default as by demand. The Alchemic Life-Cycle explains how a constellation of overlapping networks emerged, functioning to address the learning challenges as the transition was made from CCT to Best Value in the Victorian local government authorities studied.

Our findings support the outcomes of a grounded theory study of the fundamental role of networks in organizational change conducted by Mohrman et.al (2003), that suggests change processes draw on both existing organization wide networks, as well as benefiting from establishing new ones (p.320). The consolidation and functioning of knowledge networks in the final stage of the Alchemic-Cycle, Legislative Grooming, furthermore, affirms Coleman’s (1990) position that networks established for one purpose can readily be appropriated for other purposes, as we see in the case of organizational practitioners mobilizing to advocate for, and preserve perceived gains in local autonomy in their constituencies as the Alchemic-Cycle reaches maturity.

**Conclusion**

In summary, it is suggested that the Grounded Theory, of the Alchemic Life-Cycle, contributes to the literature on organizational learning. The gerund construct Practicing Alchemy has the capacity to illustrate how intellectual and social capital co-evolve (see also Nahapiet and Ghoshal, 1988), making organizational learning contingent on a sometimes precarious balance between knowledge sharing of new approaches, and exploitation of prior learning, to support strategic renewal. Through a process of self-design at the local level, the integration of new structures, processes - and in many cases technologies - takes place, as the project of rule called Best Value is defined within a rich network of social connections, on the basis of interfaced and experiential learning often mediated by organizational development practitioners.

Given that many have argued that an outcome of the period of CCT, preceding the introduction of Best Value in both Britain and Victoria, entailed a considerable erosion of effective community development and engagement (for example McAdam, O’Neill, 2002), there is an urgent need to investigate such claims. Our findings suggest the discourse of New Public Management may be instrumental in conflating the need for
efficiency in provision of community services and infrastructure, with principles of
effective community development. Such an outcome can easily cause confusion at the
local level, about how to reconcile these seemingly incompatible domains of
modernization.

The extent to which initiation of Best Value, contributes to the stewardship role of local
authorities, for example maintaining and strengthening democracy as an important
charter of local government, remains difficult to gauge. Far less difficult to determine is
the role organizational practitioners play in maintaining communication practices that
generate a more dispersed discourse of accountability, local leadership and genuine
local discretion. Whether this leads to changed practice in the Victorian case, especially
given constraints that impact on financial decision making expressed in the ODPs’
widely shared concerns about cost shifting from State authorities to the local level,
remains to be seen.

The Alchemic Life-Cycle, and associated gerund construct Practicing Alchemy, have
heuristic value for examining the impact of legislative change, because by nature such a
cyclical model remains provisional. Glaser argues against a grounded theory needing
to be ‘ratified’ as traditionally understood in verification studies, saying in this sense, a
Grounded Theory is ‘never right or wrong’ (1998:19). If new data emerge it never
provides a ‘disproof’ for a substantive grounded theory, but simply an analytic
challenge.

Importantly, no new data is pre-empted by our findings, or the substantive parsimonious
theory of the Alchemic Life-Cycle. This is important given that a limitation of this
research is that data collection for the project was completed at an early period of
transitioning to the ‘post’ round-one, of the review process, designated to evaluate
implementation of Best Value legislation at its inception. This means essentially as a
substantive cyclical construct the Alchemic Life-Cycle must remain ‘immature’ at least
until successive rounds of implementation are underway, and appraisal is understood
more broadly than it is currently.
Future Implications for the Research Agenda on Public Administration

The aim of this research was to allow for emergence of problems of significance for organizational development practitioners. The research has proceeded with an eye to identifying how ODPs go about implementing Best Value and resolving the challenges entailed in their primary workplace responsibilities.

A key objective of local government reform has been enhancing the competitive mechanisms used by local government authorities to deliver services to the community. Aulich argues the shift to increasing use of competitive approaches in service delivery is in turn driven by both external pressures deriving from state and national programs for microeconomic reform, as well as by significant global changes in policy orientations in countries like New Zealand and Great Britain. Changes in the intellectual climate associated with post-bureaucratic models of government add still another layer of complexity to the research equation (see in Dollery and Marshall (Eds), 1997:190ff.).

As a result of these shifts, and because of differences in responsibilities and variations in environmental influences, Aulich considers it ‘difficult to view local government as a single structural arrangement’. He points out, that as a consequence of this, little systematic research is undertaken ‘to assess the impact of these reforms, leaving a series of surveys, case studies and anecdotes to form a sketchy and imprecise picture of the overall position, although they do provide indicative trends’ (Aulich in Dollery and Marshall, 1997: 190).

By exploring practitioner responses to many external pressures for reform, as well as examining their interpretations of changes in intellectual currents associated with public sector management, this study indicates the need for more systematic documentation of how such issues are mediated at the grass roots level. Kloot’s recent study of local government Corporate Plans in Victoria (2001) is indicative of the importance of objectives relating to local economic development across the Victorian local government sector. The lack of effective control which councils have of such issues, largely determined by federal and state policy, does not auger well for the development of genuine local discretion.
Our findings suggest the value of further grounded inquiry given the complexity of issues concerning auditing and evaluation of progress, evident in our data. The tension between measuring effectiveness as opposed to improving efficiency in service delivery, along with a devolution of enforced self-regulation to the local level, draws attention to commentaries like Lavelle’s for example - who cautions against the perils of lazy benchmarking habits - saying that simply copying what others do makes one at best a clever imitator, and at worst someone failing to correctly sequence cause and effect or appreciate the real drivers of success (2006: 225). The challenges of maintaining a balance between responsive and responsible government, while protecting public sector values; and, managing fiduciary responsibilities in the face of increasing application of market discipline and decision-rules, requires on-going and constant appraisal, for evaluating whether substantive grounded theories, like the Alchemic Life-Cycle, is a useful heuristic contributing to further the research agenda in public administration.

In examining tensions in an environment where civil servants continue to work in a hierarchical culture, the Alchemic Life-Cycle may provide a mechanism for indicating the perils of neglecting the role of careful relationship management as an aspect of knowledge management; along with the need for attention to processes of goal definition and facilitation of open communication. If knowledge sharing networks are promoted as a necessity, this may pre-empt such networks emerging as unintended consequences in any large field of public endeavour, providing an avenue for fending off political outcry concerning public administration.
References


DETR (Department of Environment, Transport and the Regions)


APPENDIX A

The Process of Analytic-Induction: Moving from Data to Theory

Introduction

This appendix provides the reader with a snapshot of derivation of one property of the Basic Social Process constituting the Alchemic Life-Cycle, in keeping with Glaser’s recommendation that researchers demonstrate the manner in which the grounded theory is embedded in the data, rather than providing a detailed audit trail. He says: *stating the method in the beginning or appendix is sufficient, perhaps with an example of how one went about grounding a code and an hypothesis* (Glaser, 1978:134). This Appendix should be read in conjunction with Chapter Three, where application of open and selective coding strategies is discussed to show how six key themes were identified from analysis of the first stage of data gathering; informing the overarching theme of Moulding and Melding and becoming the basis of a ‘provisional’ (at that stage of the analysis) Core Category Practicing Alchemy.

The intent is to provide insight into how one of the properties, that constitutes one phase of several, that in conjunction represent one (Legislative Praxis) of the four stages of the emergent theory. It shows how a grounded theory is induced by use of the Glaserian method of continuous and systematic comparison of incidents within the data. This process continues until the coded incidents are moved to higher levels of abstraction.

Through a process of theoretical memos, these conceptualizations are linked to establish relationships between the emergent properties and the core category. According to Glaser, the core category has three characteristics; firstly it explains how participants resolve their main concerns (Glaser, 2001: 199). Secondly, the core category links sub-core categories together in a grounded theory (Glaser, 1978:95). Thirdly - similar to the manner in which the gerund construct Practicing Alchemy functions as the fulcrum of the Alchemic Life-Cycle - all of the sub-core categories and their properties are linked by the core category in a meaningful manner, presenting as a stable pattern throughout the data, which in this research is represented by the cyclic-contingency model of the Alchemic Life-Cycle (see Glaser, 1978: 95).
Core categories may also be, (but are not necessarily) a basic social process (BSP). In addition to the three characteristics above, for a core category to also be a BSP, three additional criteria must be evident as is the case with the parsimonious grounded theory of the Alchemic Life-Cycle. That is a BSP must involve human beings acting in relation to one another. The patterned nature of this interaction must be stable over time, and a BSP must be what Glaser calls *processual* or *process out* (1978: 96). This means BSPs must have at least two or more distinct stages with each stage representing a discernable conceptual unit, as is the case with the stages of the Alchemic Cycle for example; each stage must possess its own set of conditions (context), actions (strategies and behaviours), consequences (outcomes) and properties.

The objective of the chapter is to pre-empt criticism that the Alchemic Life-Cycle and gerund construct of Practicing Alchemy are not embedded in the empirical data according to requirements of orthodox Glaserian Grounded Theory. It is not intended to provide a lengthy analysis, or detail of every step of transcribing and coding interview transcriptions; or to include each code and decision made to construct concept cards. Neither is it intended to provide minute scrutiny of my field, notes recording observations and personal interactions at various network meetings. How a specific property is induced from the raw data is illustrated, and how via application of the Glaserian coding paradigm, conceptualizations are moved through the open coding stage to selective and theoretical coding, is discussed in order to demonstrate how the novice grounded theorist needs, to use Glaser’s own words, only to have ‘an ability to conceptualize, to organize, to tolerate confusion with some incident depression, to make abstract connections, to remain open, to be a bit visual, to thinking multi-variately and most of all to trust to preconscious processing and emergence’ (2003: 62).

Needless to say, this delightfully sweeping statement belies the rigour entailed in the Glaserian coding paradigm, but nevertheless it aptly summarizes the cognitive journey in which I, as a novice, was immersed in for the past three years …a journey I enjoyed at every moment. Having for many years taught students concept mapping procedures (see Gowan and Novak, 1996) to support deep learning and student engagement with curriculum content, I admit to feeling comfortable with the inductive process which
shares some things in common with the process of constructing concept maps. The main principle in concept mapping concerns linking concepts via propositions that function both to explain relationships between constructs, as well as establishing their hierarchical relational status.

**Using Concept Cards**

According to Martin and Turner discovery of categories in an orthodox grounded theory is the outcome of a movement ‘across levels of abstraction’ (1986: 147). The coding of data continually adds to one’s store of theoretical codes affirming, or at times raising questions about conditions, actions and consequences of emergent categories. In an iterative manner the researcher moves endlessly back and forward, meaning categories are induced in anything but a direct linear manner. Indeed, movement between data and the continually emergent categories unfolds in a complex spiral mode of analysis, enabling discovery of the grounded theory. As a hierarchy of categories begins to emerge, the researcher moves from description of incidents, to conceptualizing the main concern of the ODPs; and finally, towards the discovery of a core category which explicates how these concerns are resolved.

At each stage of data gathering, analysis - via constant comparison data and theoretical memo-ing - is moved towards progressively higher levels of abstraction. This transition must occur systematically, and the use of concept cards that group together like incidents from the interview transcripts and field data (Turner, 1981; Martin and Turner, 1987) ensures this is the case. To illustrate this movement from descriptive capture to higher levels of abstraction, I show how a specific property is derived from the large data which relates to Managing the Review. The guiding question for determining if an incident should be represented with a concept card is ‘what categories do we need in order to describe or account for the phenomenon discussed in this paragraph (Turner, 1981:232). The following section shows how the category, namely Scoping, became identified as a category and hypothesized as a property of phase one, of stage three - Orchestrating the Review.

It is important to point out that the category Scoping, and the other properties of Orchestrating the Review are not discovered *just* from a few small extracts of raw data
as used here to illustrate the inductive analytic process. Indeed, there are hundreds of incidents relating to Scoping, which are the outcome of ongoing constant comparison of data relating to incidents concerned with Managing the Review, a key concern for participants identified and represented in the themes emerging from the Pilot analysis. Evidence from all stages of the analysis is re-examined in the light of each new data gathered, to determined conditions, consequences, contingencies properties and sub-properties as an outcome of ongoing theoretical memos which support a gradual delimitation of the study.

In exactly the same systematic manner, other phases of Legislative Praxis were induced from the raw data becoming the basis for conceptual categorizations of key concerns for participants, the resolution of which can be similarly explained by the gerund construct Practicing Alchemy. Through constant comparison, categories and sub-categories of the Basic Social Process are discovered, in this way, from the ground up. Moving ‘across levels of abstraction’ (Martin et. al, 1986: 147) in this way, eventually enables the relational status of the categories to be induced, and hypothetically linked. It is this systematic process that empirically substantiates the ‘grounded nature’ of the Alchemic Life-Cycle.

**Open Coding**

As a novice researcher I found transcribing recorded interviews very helpful, particularly in early stages of the research. Glaser argues taping interviews has the effect of neutralizing and undermining ‘the power of grounded theory methodology to delimit the research as quickly as possible’ (1998: 108), his concern being that transcription is time consuming, and the amount of data generated potentially swamps the researcher. He believes this interferes with conceptualization, and theory generation. In my own case firstly, transcription supported the mental process of fracturing the data, a basic feature of open coding, keeping me ‘close’ to the data throughout the research. It also meant I could reflect critically on my role in the interview process, as well as submerging myself into the experiential aspects of the ODPs world I was privileged to enter into.
Secondly, the act of literally cutting up transcripts once open coding was complete, and physically sorting codes, assisted me with generating theoretical memos to move the data from the descriptive to the conceptual level. Establishing groups or clusters of like incidents and reflecting on relationships between them, because I am a visual person allowed me to constantly sketch what I thought was going on.

Thirdly, sorting open codes to collate similar incidents, enabled comparison of incident with incident, assisting me with delimiting the research as the core category emerged from the data. As I literally moved clusters of open codes around the surface of a very large table to aid visualization of the relationships between various categories, my confidence increased to place my trust in ‘preconscious processing and to emergence’ (Glaser, 2003: 62). Diagramming how concepts related to the core category, as memo-ing and ‘interrogation’ of the data proceeded, gradually provided a more detailed conceptual representation.

Interviews were transcribed and coded as they were conducted throughout the research. As a result of open coding early in the research several themes were evident (see Chapter Three), although as yet the precise relationships between categories were unclear. Selective coding occurred when the core category was identified, and the research was further delimited as indicated by the modification of the interview process, and reflected in changes to the Aide Memoir (see Appendix B). Eventually as a result of theoretical memo-ing the basic social process was identified, which explained how alchemic practices were appropriated by participants to resolve their main concerns in implementing Best Value.

The main questions I was asking in the early stage of the analysis were - How is Best Value being implemented in Victorian local authorities? And - What is the participants’ main concern? Sorting open codes from the first five interviews led to emergence of quite distinct domains of concern, all seemingly needing to be deftly juggled to implement the Best Value legislation. With the following themes apparent from analysis of the scoping data - Transitioning (from CCT); Repair work / rebuilding; Establishing a review framework; Managing the review; Community consultation; Improving organizational learning - some form of umbrella theme was called for to identify the patterns underlying how ODPS respond to the challenges of implementing the reform.
My initial attempts at coding were not sufficiently thorough to establish highly detailed categories with respect to these themes, or to identify specific relationships between them; for example, conceptualization of the four stages cyclical model, or various phases of the process model of The Alchemic Life-Cycle at this point of the analysis were far from apparent.

From Open Codes to a Provisional Core Category

An overarching theme was indicated from my first attempts at open coding, and this germinated the metaphor of Practicing Alchemy, which was useful for understanding how participants’ concerns are linked by a common pattern. As a provisional gerund construct (at this stage), this metaphor explicated the committed, ongoing struggle of ODPs as they balanced and juggled their concerns against the complexities of legislation framed in extremely flexible terms, although lacking procedural guidance. My memos were to the effect: Practicing Alchemy might function as a core construct, with potential for explaining the ODPs responses to the multi-layered operational contingencies of implementing Best Value, thereby capturing the essential pragmatism and continuous learning entailed in melding and moulding operational reality to make it ‘fit’ with the complex performance and ‘duties’ objectives of Best Value legislation. The metaphor also conceptualized how implementation was adapted to the highly variable capacities of local authorities. In retrospect the themes and a provisional core category proved valuable for delimiting the research, setting useful parameters for further data gathering and selective coding. However, much more analysis was required before the stages, phases, properties and sub-properties of the Alchemic Life-Cycle were apparent.

More rigorous use of the Glaserian coding paradigm and constant comparison helped identify higher order conceptualizations that better explained how participants resolved their main concerns in implementing the new project of rule. Careful comparison of incident to incident; and as conceptualizations emerged, of incident to concepts, isolated the emergent patterns comprised of many similar incidents (see Glaser, 1992). I turn my attention now to selecting a single category to demonstrate how constant comparison was applied in this manner to identifying a single property from several coding units.
From Raw Data to Category, and the Derivation of a Property

Using just a few extracts from the raw data, in the following section I illustrate how, via constant comparison, the raw data about Managing the Review is moved from purely descriptive status, to becoming the higher order conceptual category, Scoping. Simultaneously, this method generates categories (properties and sub-properties) which are subsequently linked via theoretical coding to other properties (Maintaining-Momentum and Tailoring) arrived at in a similar fashion. How these properties link to each other, and to the core category, is discovered by way of theoretical memos; and the first conceptual phase of a stage in the Alchemic Cycle is induced, namely Orchestrating the Review.

Categories include incidents and codes sharing some common element and are signified by appropriate conceptual labels that name the pattern of behaviour they capture (Glaser, 2001: 10). ‘Scoping’ is selected to illustrate how a single category is derived from raw data. Exactly the same process applies to discovering all categories emerging as properties or sub-properties substantiating how alchemic practice is appropriated to resolve key challenges of implementing Best Value. Each interview transcript is reviewed to identify all similar incidents that are sorted and gathered on concept cards.

In this study, interviews were reviewed sentence by sentence to identify open codes. At the end of each stage of interviewing, with open codes sorted and stored on numerous concept cards, each card represented all recorded exemplars of particular incidents or similar coding outcomes. Use of just three excerpts of raw data means the coding items presented here, representing Scoping, are quite limited, but they will suffice to illustrate the general process of induction that informs the building of such a category.

Excerpt 1

**Interview 5: open coded in the first stage of analysis (March, 2005).**

We did have a complex approach to BV, because you start the process and there is some energy and enthusiasm, but the reality is this task is being added onto the work ground staff already do at 90-95% capacity, so, OK, you make some effort; but, as you go down the track meeting quarterly, weekly bi-monthly or whatever it may be...the reporting points, you lose the plot and at the end of it you haven’t got a good outcome. You really have to have the capacity in the organization to provide enough strategic review time regardless of whether it is a healthy organization or not, but I would say 99% of councils aren’t able to provide that all the time needed, and therefore reviewing has gone extremely slow. But, we do already have an organization specific process with the BE program and it probably helps overcome problems of time constraints and waning enthusiasm. It reduces time needed, because you’re not doing multiple review sessions. Instead of having multiple review processes going do you have one that does the lot? It will be interesting to see whether we do take that up automatically at the end of this year. We will certainly do the business excellence component of it, but whether or not the State Department prescribes it, we will continue on; well, I don’t hear that they will be switching off on BV! It would be quite easy to
**do the snapshot assessment** as we call it – where we are, comparing it to the previous year and demonstrating things are, or aren’t going particularly well.

This excerpt contains many open codes for example waning enthusiasm; working on overload; dealing with time constraints, regulatory issues, uneven performance issues etc in addition to those related to Scoping the review (underlined). These are assigned to other appropriate concept cards, for example Maintaining Momentum, or Re-siting Regulatory Control. The underlined passages relate specifically to decision making at early stages in Managing the Review and eventually become recognizable as the property of Scoping, for example:

- *meet quarterly, weekly bi-monthly or whatever the reporting points may be* Auditing
- *capacity in the organization for enough strategic review time* Fixing Timelines
- *we do already have an organization specific process (may be helpful)* Methodologies
- *Instead of multiple review processes do you have one that does the lot?* Templates
- *whether or not the State Department prescribes* Meeting regulatory requirements
- *snapshot assessment/ compare it (snapshot) to the previous year* Benchmarking

These ideas are amalgamated, and compared with other open codes and incidents from data gathered at other interviews, and with interviews made at later stages in the project. At the end of the analysis of the first five interviews, some delimitation of the study occurs by asking more focused questions based on emergent themes to date, and on site spreading decisions (see Appendix B, and development of *Aide Memoir Two*).

Comparing open codes from each subsequent (and more delimited) interview means a closer focus on the emergent themes; and that Glaser’s (1978:57) three key questions can be addressed by theoretical sampling – particularly the second question:

1. What is this data a study of?
2. What code or incident does this category indicate?
3. What is happening in the data?

By asking the first two of these questions descriptive codes are gradually raised to higher levels of generality and abstraction, so the researcher can address the critical third question and induce the Basic Social Process. This is achieved by constructing theoretical memos that explain the links between categories, in a similar ‘ground-up’ manner, to establish their relationships with the core category.

The second extract is taken from data gathered after the first round of interviewing, and analysis was completed. It, too, contains multiple open codes with several (as underlined) directly overlapping with the coding categories already identified in the first stage of analysis, concerning Scoping. Some additional codes suggest new insights
about how participants resolve scoping issues in early stages of managing the review process.

**Excerpt 2**

**Interview 8: transcribed and coded in second stage of analysis (April 2005).**

Well, we didn’t reduce the number of areas to be reviewed just to make BV more manageable; we went the other way! When I first got there the managers put in twenty seven areas they wanted reviewed. I have finished up with fifty one! Yes, it is a case of amplification alright! I can give you an example of one that just went up to Council (for ratification) last week. The finance department, when I started working with them...well nobody cares much about them, they have got customers but they are mainly internal, maybe a few ‘bill payers’ too but they are not face-to-face with our normal community out there, like grounds people are. I started doing their review with them and found they really had three separate areas, although they really only concentrated on payroll. So we finished that with only three people; but then I went on to the financial accounting group and worked with them and then on to the management accounting group who do different things again like setting the five year budget, looking at the monthly reporting, at KPIs and so on...all that sort of thing. So they really are all very different and we started out with them in one room and ended up doing three different reviews. So over all we ended up with fifty-one reviews in that sort of fashion.

Again, although many codes relating to other categories can be derived from such an extract, but several relate specifically to Scoping, for example:

- Amplification of areas to be reviewed amplification versus reduction
- reducing review to make BV more manageable reduction for simplicity
- only three people Size of units / focus – micro-macro; degree of devolution
- customers mainly internal Review priorities
- face-to-face with our normal community like grounds people focus - internal versus external interface of service
- setting the five year budget, look at the monthly reporting, look at KPIs Review procedures and processes/ establishing KPIs

These categories were brought together and compared with the outcomes of the first analysis using the method of constant comparison and the process of writing theoretical memos.

**Memos**

It should be noted at early stages of analysis the open codes remained fairly descriptive, but by constantly comparing codes with other codes; codes with incidents; and incidents with other incidents, basic categories were quickly evident. These were grouped to generate more reified theoretical insights. That is, once the raw data is fractured by open coding, it can be moved to progressively higher levels of abstraction by grouping basic categories into higher order categories. This aids detection of new categories and discovery - and as in the case of this research - further substantiation and differentiation.
of the core category, Practicing Alchemy. The production of theoretical memos helps process ideas and new insights emerging from the data. Ideally, coding continues until the data reveals nothing new.

Examples of my memos based on descriptive categories derived from coding categories presenting so far from grouping the codes emerging from the two excerpts of the raw data include:

- **Does review amplification always occur- or does the reverse sometimes happen….reduction…** (such a memo leads to developing a category to categorize decision making about numbers of service units to be reviewed. This proves to be highly variable from data gathered in further interviewing – ad is ultimately represented as a separate property of Orchestrating the Review, Tailoring). **ODPs seem to have to be highly adaptive, and this seems to be a response to the capacity of the units who have to do the reviews. Check if this is even or not!**

- **What things happen to make the review task more manageable?** (This memo leads to grouping incidents relating to strategies used to produce reviews like identifying review focus at macro/micro levels, proceeding according to capacities of business units, modifying frameworks and toolkits, sequencing timelines and so on).

- **Is alchemic practice similar or different from the forms evident before the review had to be conducted?**

**Theoretical Memos**

As basic categories, emerging from coding, are grouped conceptually in this way, Martin and Turner recommend we ask questions like - Do any common themes connect these incidents and codes together? And, if they do - What theme do they reflect? (1986: 151). At this stage, I started to note down theoretical memos, as my constant comparison of the concept cards built from this (and other similar data) with other related concept cards, set me to thinking more about Practicing Alchemy. Processing the data, on Scoping, indicated a qualitatively different, and more pragmatic, form of alchemic practice common to other categories drawn from the data on Managing the Review, than had been previously evident.
Prior to implementing reviews, I had already noted that once ODPs made sense of the legislation, they progressed to integrating it in the LGA by allaying the worries of other staff. This indicated a distinction between the more interpretive alchemic practices associated with ‘Filtering’, and the conjuring alchemic form typical of activities grouped and theoretically coded as ‘Smoothing’ the legislation. As the idea of the different forms of alchemic practice emerged from the categories drawn from the concepts cards, the possibility of a Basic Social Process was suggested. Glaser tells us that theoretical codes can be discovered as sorting proceeds by asking theoretical questions of the substantive codes: *For example, ‘is this a condition or a context?’ or ‘is it a matter of degree or two dimensions?’ and so forth* (1978:119). It was at this point I started conceptualizing how the data and emergent categories might be represented as a series of transitions, which I conceptualized as stages.

My theoretical memos directed my attention to Glaser’s coding families (1978). He suggests that ‘most studies fit into either a causal model, a consequence model or a condition model’ (p.74) A cyclic cause-consequence model which ‘has the sub-family of outcomes, efforts, functions, predictions and anticipated or unanticipated consequences’(p.74) was indicated by the Alchemic Life-Cycle. This, however, only became fully evident as the shift to regenerative alchemic practice emerged, *after* the review process was completed, and the fourth temporal stage of Legislative Grooming was emergent.

**The Transition to Theoretical Sampling**

To answer Martin and Turner’s questions, interviews were more closely aligned with the hypothesized emergent stages of the Alchemic-Cycle (see Appendix B, *Aide Memoir 3*). This meant the research proceeded to the stage of theoretical sampling, when the emergent theory itself determines the data collection path. For example, the question of *how* reviews were managed provided a focus for further data collection, as the following extract from the third *Aide Memoir* indicates, to determine how alchemic practice functions as the core category integrating the theory. In the procedural example presented in this appendix for instance, the data relating to Managing the Review, with respect to the category Scoping is explored by asking participants more specific questions for example in relation to the coding examples presented in this appendix:
Section C from *Aide Memoir Three: Implementing*

1. What procedures did you use to do reviews?
2. What factors impeded on this?
3. Were review requirements met in a timely way?
4. How did you maintain review momentum?
5. What factors impeded on this?
6. Did you rely much on participation in learning or knowledge networks beyond your own LGA?
7. Was participation in external networks valuable in implementing BV?
8. Was much ‘learning on the run’ necessary to implement BV?

These questions are directed to discerning new categories or new properties of existing categories, as interviews are continued with participants until the relationship between existing categories is clarified, and any new categories determined. The following data excerpt, illustrates how theoretical sampling generates a more specific focus, in later interviews concerning review management, thereby supporting generation of theoretical codes, which can be further sorted to substantiate the emerging theory by weaving the fractured data back together.

**Excerpt 3**

**Interview 10: coded in third stage of analysis (late May, 2005).**

Yes we have set up the reviews according to the needs of the areas they are looking at, I have done the environmental health one and the local laws one, and they are two completely different departments of the council, and I have been able to adjust BV well to those. Process wise I go to the operational people and keep asking questions. Managers have different workloads and some I go to all the time and keep asking questions; and then others I have to do a lot of it and research it more myself. I can’t keep going back to them either because they are not always here; or worse, they are not very cooperative. So doing reviews has varied like that, and that is the main adaptation I have had to make. I also talk to the ground people under the operational management level to get an idea to see just what they do, and what their department does, and to check their processes. I need to know exactly what their department does before I can do a Best Value report for the area, in terms of the community and all that sort of stuff, because they are dealing directly with the community.

Theoretical Codes derived from this excerpt, substantiated the theoretical memo of alchemic procurement, which conceptualized what the basic concept cards shared in common. I could see more clearly how procurement was appropriated by ODPs, for example, to adapt and underwrite review procedures (to needs of specific business units); to adjust reviewing to organizational capacity; to generate ‘will’ to cooperate; to manage needs connections with the community etc. These categories can be compared with other basic categories from prior analysis to confirm, refine, add to, or modify categories emergent at this point, as well as to identify the common theme connecting codes and incidents together. Thus, in addition to the Coding Levels specified in the chart below, a theoretical code is derived, differentiating Alchemic Practice into a more specific form – alchemic procurement.
Codes, relating to Scoping, are far more numerous than illustrated here as a summary example of how codes are derived, through the use of just a few raw data excerpts. Here they are sorted into three groups as level one, and classified on coding cards according to clusters relating to Managing the Review. These clusters are raised to increasingly more abstract levels, as shown by the level two codes. After listing all level one codes as extrapolated from the raw data after the first analysis, comparing codes with codes, and incidents with codes, and other incidents, continues until the category saturates out and no new information presents.

Table A.1 From Open Codes to Concepts and Categories

<table>
<thead>
<tr>
<th>Level One Codes</th>
<th>Level Two Codes</th>
<th>Level Three</th>
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</thead>
<tbody>
<tr>
<td>Review levels – micro versus macro</td>
<td>• Establishing Focus</td>
<td>SCOPING</td>
</tr>
<tr>
<td>Setting timelines for completion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prioritizing order Eg. Easiest first</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selection of toolkit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adapting process to capacity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>‘Bundling’ to reduce effort required</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimating degree of standardization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adapting prior process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developing relevant and appropriate KPIs</td>
<td>• Defining KPIs</td>
<td></td>
</tr>
<tr>
<td>Avoiding review redundancy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establishing and setting up benchmarks</td>
<td>• Devolving</td>
<td></td>
</tr>
<tr>
<td>Creating ‘ownership’</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engaging operational management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generating ‘will’ among ground staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategies for community inclusion</td>
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</table>

As Scoping conceptually subsumes the other open codes, it is represented as a property; with other codes grouped accordingly as specific sub-sets of the more inclusive category. Scoping indicates how ODPs deal with contextual issues of the review process. Once such a property is established, it can be considered in relation to the other contextual properties. For instance, it can be compared with Maintaining Momentum, which categorizes how issues associated with waning enthusiasm are resolved to progress reviewing; and Tailoring a property representing response strategies to deal
with sometimes overly ambitious Scoping decisions about the numbers of review to be conducted. Together, the three properties and their sub-properties are hypothesized as representing the contextual phase of Legislative Praxis, and primary category in Stage Three, Legislative Praxis, of Orchestrating the Review. Via theoretical memos, and grouping of basic categories common themes are derived to link incidents, codes and categories together.

The Core Category

Glaser tells us that a grounded theory is about continual resolving of participants’ main concern, and that this is designated by a category called the core category (2001:191). Core variable analysis is a latent structural pattern analysis being related to most variation in the data and the substantive area, therefore organizing and explaining most of the variation in how the main concern is continually resolved (Glaser, 2001: 199). In this study, the core category Practicing Alchemy was suggested early with emergence of the overarching theme of Moulding and Melding to conceptualize the definitive latent pattern of themes emerging from the pilot analysis. The idea of alchemic practice was provisionally accepted as a core variable, given that Glaser suggests it is best to test out a core category, and then another if the first does not work, than it is to drift too long in open coding (2001: 201). The shift was made to selective coding and delimitation of the research after the first round of analysis as discussed in Chapter Three.

Importantly, once the core category emerges, open coding progresses to selective coding (Glaser, 2001: 199). This is because the core category provides a latent structural pattern, via which linkages between categories can be established. The core category once it emerges provides the researcher with the conceptual vision that delimits, integrates and focuses the grounded theory by selective coding. Glaser describes this as the ‘coring out’ of the core category (Glaser, 2001: 209).

The different forms of alchemic practice emerged as coding became increasingly selective. For example, once decision making as conceptualized by Scoping, was represented a contextual aspect of Orchestrating the Review, the problematic nature of Praxis could be represented by the theoretical code of alchemic procurement the common theme reflected in all incidents and codes. At a particular point of
implementation, reviews become the primary tangible audit of demonstrable achievements of Best Value in specific authorities. The notion of procurement is relevant to all aspects of phase one of managing the review. My memos testify - Can we think of the business of the review as representing a stage of implementation of Best Value that depends on a qualitatively different form of alchemic practice from earlier on in the course of implementation? If so - How? What behaviours and strategies are required; and what is the outcome of such activities? The idea of procurement comes to mind… conjuring is what the magician must do to convince his audience that a rabbit is in the hat – BUT producing the rabbit is the crux of the matter to make them believe it!

For Glaser, theoretical memos, as discussed in the previous section, represent the bedrock of theory generation and the ‘theorizing write-up of ideas about codes and their relationships’ (1978: 83). Memos in this research were tools for grouping various incidents as represented on concept cards into basic categories, such as Scoping; and for grouping these basic categories together as higher order categories. For example, Scoping is grouped with Maintaining Momentum and Tailoring, and represented as the higher order category Orchestrating the Review. As viewed in relation to other groupings of categories, this becomes the first phase of Legislative Praxis. Phases become grouped as stages as the latent patterns in the data emerge in relation to differentiations in the core category Practicing Alchemy. The stages of the Basic Social Process emerge, reflecting Glaser’s principle of the core category gradually ‘coring out’ of the data.

Scoping as a category is linked by means of theoretical codes with other properties of the phase Orchestrating the Review - Maintaining Momentum, and Tailoring. Together the three properties constitute a phase, which can be explained by reference to the gerund construct Practicing Alchemy; and more specifically by the alchemic form, ‘procurement’. This explains resolution of contextual issues relating to managing compulsory reviews in the local authorities. As a phase, Orchestrating the Review is hypothetically linked with other phases of Stage Three, Legislative Praxis; namely Delivering Hierarchical Fit and Corroborating Choice. These have been similarly derived by moving across the data via progressive open coding, selective coding and theoretical memo-ing. In this way, increasingly higher levels of abstraction are
achieved, whereby hypotheses linking all categories and sub-categories with the core category become evident.

Having at this point in the analysis addressed issues of – ‘What is this data a study of? And, What code or incident does this category indicate’? - the researcher can address the third of Glaser’s three questions underpinning the coding paradigm specified for practicing orthodox grounded theory. That is - What is happening in the data? (1978:57). As the anticipated core variable Practicing Alchemy is modified and endorsed, through application of the Glaserian coding paradigm, the structural patterns explained by the metaphor of alchemic practice are further refined. In the case of Scoping, used here to illustrate the transition from raw data to theory, we identified ‘what is happening’ with the data – we were no longer just describing but by means of theoretical memos, we articulated and clarified how alchemic practice occurs, at this stage of implementation. Alchemic procurement functions to produce review outcomes and to resolve difficulties of addressing both performative objectives (see the phase Delivering Hierarchical Fit, Chapter 7); and, the duties framework of the Legislation (see the phase Corroborating Choice, Chapter 7).

**Conclusion**

It should be noted, that just a few open coding items from which the category Scoping was (partially) derived are presented here, drawn from a small selection of relevant raw data gained at different stages of the interviewing process. Scoping, and other properties or sub-properties of each phase, and stage of the Alchemic-Cycle, are derived using a similar inductive-analytical process. The three extracts of raw data provide a very limited example of how open codes are derived and sorted, but do exemplify how coding proceeds and the contribution of concept cards for raising incidents generally relating to Managing the Review to higher conceptual levels, to provide empirical grounds for interpreting and hypothesizing links within the data concerning resolution of the challenges of Legislative Praxis, the key management task in Stage Three of the Alchemic Life-Cycle.

This appendix presents the reader with an intentionally brief example of application of the open, selective and theoretical coding paradigm integral to orthodox grounded
theory. It demonstrates the method of constant comparison has been applied in transforming the raw data in this research, to the grounded theory of The Alchemic Life-Cycle, the Basic Social Process and outcome of the research. The inductive process is highly abbreviated here, but the intent is to show the rigor and systematic nature of the iteration between data gathering, data analysis and theoretical emergence in this research. The appendix is included to supplement discussion of the application of grounded theory presented in Chapter Three, with the intention of verifying, for the reader, how the Grounded Theory presented in this dissertation is embedded in the empirical evidence, which is presented in detail in Chapters Three, and Chapters Five to Eight of the dissertation.
APPENDIX B

Evolution of the Aide Memoir, and shifts in question focus as Interviewing and Analysis Proceeded

AIDE MEMOIR 1.
Representative questions for interviews in round 1 (Interviews from July 2004 – September 2004, (Numbers 1-6) and the basis of Data for the Pilot Analysis (see Chapter Three).

Representative Questions for Best Value experts

- How long have you been associated with local government? In what capacity?
- Have you been here since the start of best value then?
- Were people ready for this change when it happened?
- What is your ‘take ’on it – if you had to explain it to someone? Aims and intentions?
- Advantages? Best things about it for you…
- Disadvantages? Worst things about it for you…?
- When it started how was it handled? Devolved out to manager’ s level? What was the response?
- Is the issue of consultation important…..how is consultation interpreted in your authority?
- How does that work out in practice? Does what happens depend a bit on the skills and enthusiasm of the operational managers themselves?
- What about monitoring changes in service delivery practices?
- Any problems associated with that?
- Some councils do a yearly customer satisfaction survey – every service the council provides is listed – then surveyed in two ways – people asked how important do you rate this service – and the column next to it asks them to rank their satisfaction level for that particular service.
- What do you think implementing best value has meant for the public?
- Is efficiency versus effectiveness much of an issue here?
- All these issues are fascinating- not a lot of research done on how local councils have adapted from a base of CCT which had its own culture, and the way they have adapted to the best value approach……or how they have gone about that to get effective results ……..potential for differences between states, between councils within the same state and different departments within one council?
• What do you think is the ‘potential’ of best value?

Typical questions for ‘long-timers’:

• How long have you been associated with local government? In what capacity?

• I’m very interested in getting a ‘handle’ on changes taking place in LG really since the mid 1980’s – what do you remember of these changes?

• So your schema for change over that time might shape up as something like this then? – reiterate key points – check you have it straight – give opportunity to rephrase or add to their ‘schema’ – sketch a visual for further reference point in the discussion?

• Any particular changes stand out in your mind in terms of organization of local government during these phases? Like in terms of:
  • Organizational structure? Culture? Morale?
  • Management practice?
  • How did all that impact on actual work practices of people involved directly with service delivery?
  • How about the public?
  • Thinking of resource issues during this period what comes to mind?
  • One of the most recent changes is the introduction of Best Value principles by Bracks-what’s your ‘take’ on that?
  • Have you had much to do with it? How do you see its aims and intentions?
  • Advantages? Best things about it… and disadvantages? Worst things about?
  • Is consultation important? How does that work out in practice? Does it depend a bit on the skills and enthusiasm of the operational managers themselves?
  • What happens here about monitoring changes in service delivery?
  • Is efficiency versus effectiveness much of an issue?
  • In terms of the public – what do you think best value has meant for them?
  • What do you think about the overall ‘potential’ of best value?
BEST VALUE PRINCIPLES CHECKLIST (Initially I considered administering this checklist, but after trying it with two of the first participants, and talking about it to three others, abandoned the idea as they said it was difficult to be so specific. As the tensions between managing performance aspects and interpreting and accommodating the duties covenants of Best Value legislation became evident early in interviewing and was confirmed by the data analysis, an exercise like this seem rather meaningless which participants pointed out to me).

<table>
<thead>
<tr>
<th>BEST VALUE PRINCIPLE</th>
<th>IMPORTANCE FOR YOU</th>
<th>DIFFICULTY TO ACHIEVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>quality standards for all services</td>
<td>Score between 0 and 10</td>
<td></td>
</tr>
<tr>
<td>Cost standards for all services</td>
<td>10 means it is very important for you</td>
<td></td>
</tr>
<tr>
<td>accessible services</td>
<td>0 means it is not important at all</td>
<td></td>
</tr>
<tr>
<td>appropriately targeted services</td>
<td>10 means the principle is very difficult to achieve</td>
<td></td>
</tr>
<tr>
<td>responsiveness to community needs</td>
<td>0 means the principle is very easy to achieve</td>
<td></td>
</tr>
<tr>
<td>continuous improvement</td>
<td>Score between 0 and 10</td>
<td></td>
</tr>
<tr>
<td>regular community consultation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>frequent reporting to the community</td>
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</tbody>
</table>
AIDE MEMOIR 2

FOR INTERVIEWS ROUND 2 ANALYSES
Representative questions for interviews from March, 2005 to early May 2005 (Numbers 7-13).

1. What comes to mind for you as the most pressing issue concerning best value?
2. What sort of external regulatory requirements do you have to meet? Any problems with them?
3. What actual processes are there for auditing BV?
4. Are external requirements pretty clear? Too prescriptive / Not- prescriptive enough?
5. Are they negotiable / non-negotiable?
6. How do you feel about them?
7. What would your main problems be meeting them?
8. Do they encourage too much uniformity?
9. Do you have anything like ‘pre-set’ BV performance indicators in terms of the reviews you set up for each unit within your LGA / or do you have to develop these for yourselves?
10. How a clear picture of local service performance can you get if there are no clearly established BV performance indicators or criteria to benchmark against?
11. Can you sensibly have a set of PI’s that operate right across the organization for all the services you reply or would this be nonsense in your opinion?
12. How do you feel personally about the evaluation process going on here … in terms of accurately demonstrating in achievements in implementation of BV?
13. Do you think evaluation going on here provides a good representation of real progress your organization is making with goals of BV for example?
14. How will the auditors decide if BV has been achieved or not in any particular LGA?
15. Do you compare your progress with BV with any other LGA’s / how do you do that? Is it a useful exercise to do this?
16. Have you got enough freedom to be innovative in the organization if you have to comply with external legislative requirements?
17. Do you see BV mainly as a set of outcomes like continuous improvement in terms of costs and standards?
18. Or would you characterise it more as a set of processes – like performance plans, the reviews, the actions plans that come out of the reviews?
19. Has BV played a role here in improving local services so far? What?
20. Does BV operate to enhance community governance? How?
21. Do you feel it has helped improve community participation? What ways can you think of?
22. Could BV operate to increase public confidence in institutions of local government? Or things connected with it – e.g. childcare, public libraries etc?
23. Do you think BV is an improvement on CCT as a framework for service delivery – why / why not?
24. Does it signal a distinctive new approach from CCT?
25. Do you think BV has the potential to help councils play a key role in providing ‘vision’ and leadership in their communities? How?
26. Do you think BV has helped LGA’s to be more in touch with their community base? In what ways?
27. Is too much being expected from BV in terms of improving service quality?
AIDE MEMOIR 3

Representative questions for interviews from May 30th, 2005 to April, 2006; Numbers  14-20 (interviews from this point were directed to further exploring and validating emergent stages evident as analysis moved from open to selective and theoretical coding). These questions were also explored in many casual conversations with people who I had not interviewed, over lunch and morning tea at regional network and corporate planners meetings as part of observation sessions.

A. Interpreting (Filtering)

1. Initially what problems were there with interpreting BV legislation?
2. What made it difficult to interpret?
3. Was there any sort of organizational ‘line’ or ‘Orientation’ to BV in this LGA?
4. Where did it stem from?
5. Who ‘carried the can’ here for implementing BV?
6. Was there much change of OD personnel / in management?
7. How did the Council relate to Best Value?
8. Did that remain steady – or affected by changes in composition?
9. Was the issue of measuring for ‘value’ a problem?
10. Where did you personally look for support or guidance in interpreting BV to make it operational?
11. Who were your main allies in getting ‘take-up’ of BV?
12. Who were the ‘blockers’?
13. Was there much support initially from the state body? I think it was DOI then?

B. Integrating (Smoothing)

14. What factors made it difficult to get BV accepted throughout the organization?
15. What parts of the organization were most resistant?
16. What parts of the organization were most receptive to BV?
17. What strategies were effective for ‘selling’ the new legislation to the LGA?
18. What things were least effective?
19. Were there many changes to organizational structure since 2000?
20. Were any changes to organizational structure necessary to make BV operational?
21. Any issues with organizational capacity in terms of implementing BV?
22. Have inter-organizational networks played a role in implementing BV?
23. Any idiosyncrasies about this municipality that disadvantage it with respect to implementing BV?

C. Implementing (Praxis)

24. What procedures did you use to do reviews?
25. What factors impeded on this?
26. Were review requirements met in a timely way?
27. How did you maintain review momentum?
28. What factors impeded on this?
29. Did you rely much on participation in learning or knowledge networks beyond your own LGA?
30. Was participation in external networks valuable in implementing BV?
31. Was much ‘learning on the run’ necessary to implement BV?

D. Ensuring future viability of BV (Grooming): governance issues.

32. Now that the first review cycle is completed, where do you think BV will go?
33. How has the general response been to completion of the first round of review?
34. Has the BV Commission been effective in overseeing implementation of BV?
35. Can LGA’s play a role in determining the future viability of BV?
36. What role should this be?
37. How influential are regional networks in determining the future of BV?
38. Has ‘trust’ between the LGA’s and the State has improved as the result of BV?
39. Has trust has improved between the units within your LGA because of BV?
40. Do you think BV has contributed to building a better interface between Councils and communities?

Representative Questions for ‘follow-up’ Questioning and in very late interviews:
Derived from ongoing analysis of observations from Attendance at Regional Network Meetings. (Questions explored in interviews 21-24; and informally at one LGPro meeting, and also informally posed to attendees at Regional Network meetings from Jan 2005 through to September 2006 when the new Best Value Guidelines were launched.

1. Some ODPs say ‘budgets drive planning in most units’ in their councils – people don’t care about the council plan, all they care about is how many dollars they have to spend- a short sighted / atomized operational approach instead of long term visioning and genuine BV – does this happen in your council? Any examples?

2. If budgets do drive planning - how does this interfere with potential of LGAs to develop long term strategic initiatives?

3. Is it a problem generally – that there are rather a lot of different plans in each authority? Do they interface well?

4. Some ODPs talk about needing to rethink the way we do work – resources in LGAs are far ‘more’ than just the capital available to do the work (E.g. human resources, natural advantages of areas, organizational and community capacity etc) Is this recognized in your LGA?

5. Is there sufficient training and support e.g. centrally delivered - for capacity building in LGAs so BV can focus on long term sustainability issues?

6. Does the corporate part of the council always see ‘eye to eye’ with councilors?

7. What communication problems are there?

8. Is it problematic (or even a proper role) for ‘corporate’ to influence elected representatives to accept a more visionary approach to sustainability?

9. What was your response to the ‘launch’ of new BV guidelines?

10. Would it be true to say some councils still remain perplexed about the value of BV for their authority? Are the new guidelines timely?

11. Was there adequate consultation of practitioners in setting up the new guidelines? Did practitioners have enough involvement?

12. Have things that most urgently need to be addressed in evaluating the first phase of implementation and review been attended to?

13. What are the most likely problems for implementing BV in future?
14. What is the top priority in relation to BV now in your authority?

15. Has BV had positive outcomes so far? What? Any negatives?

16. Have the reporting requirements of BV created a ‘compliance mentality’ rather than driving proper reflection on big issues for the community?

17. Are there issues with integrating a performance management framework with community consultation / engagement?

ABSTRACT:
The purpose of this paper is to illustrate how organizational development personnel, responsible for oversight of public sector reform programmes, mediate and effect projects of rule. The analysis is located within the Best Value reform programme in local government in Victoria, Australia. Grounded theory is employed to examine responses in four local government units characterised by divergent socio-economic and population demographics, as well as environmental and rural-urban differences. In-depth interviews provide data to scope key issues and concerns of participants responsible for change management and organizational development. The paper responds to a call for studies directly addressing experiences of those implementing Best Value as opposed to studies of macro-level politics of Best Value. There is an urgent call for empirical detail on ‘take up’ of Best Value by local authorities to consider if there are grounds for critique that studies of programme implementation are overly focused on ‘success’, rather than considering why programmes fail to achieve their desired effects in ‘shaping’ projects of rule.


ABSTRACT:
Purpose: To explore a theoretical and methodological dilemma.
Methodology/Approach: Commencing doctoral research, and committed to an orthodox Grounded Theory approach, the researcher came across a unique story that, to do it and the research justice, required an alternative form of representation. Intuition decreed that this should be Narrative. However, Grounded Theory and Narrative entail epistemologically and ontologically incommensurate paradigms. The paper considers whether inclusion of the unique story would compromise, or subvert, the already emergent grounded theory. An exploration of the relationship between different epistemological and ontological traditions is also made, based on the assumption that method ‘slurring’, and a more eclectic approach to using incommensurate paradigms, may be valuable.
Findings: In transcribing and coding data using strictly orthodox Grounded Theory methods, the researcher runs the risk of ‘stripping’ the research story of some critical dimension(s). However, combining a Narrative approach with that of Grounded Theory, allows for the representation of an atypical ‘Maverick’ case, along-side other more typical cases.
Value: To point out to the early career qualitative researcher in particular, that it is legitimate to combine seemingly incommensurate methodologies, notably where not to do so would result in the loss of enriching and powerful insights into basic social processes.
Keywords: Methodological dilemma; Paradigm Commensurability; Grounded Theory; Narrative
Category: Conceptual